

Germany to seek energy compromise

By Quentin Peel in Bonn

THE German government and opposition agreed yesterday to set up an all-party conference to negotiate a long-term energy policy, including a decision on the future of nuclear energy in power generation.

The deadline for agreement has been set for the end of the year, before the country faces a whole series of local, state and national elections in 1994.

However, there remain widespread doubts in the nuclear industry over whether the political parties, ranging from the conservative Bavaria-based Christian Social Union to the anti-nuclear Greens, will be able to agree on any consensus.

Apart from the future of nuclear energy, the conference will be asked to propose a solution for the direct disposal or reprocessing of nuclear waste, on which the political parties are deeply divided.

That question is vital to the long-term future of Britain's Thorp nuclear waste reprocessing plant built by British Nuclear Fuels (BNFL) at Sellafield, with which the German utilities have a 10-year reprocessing contract.

The all-party talks, expanded to include representatives of the energy producers and consumers, trade unions and environmental groups, will also make recommendations on energy conservation, use of renewable energy, plans for the future use of fossil fuels, and for a common European energy policy.

Pressure for such an "energy consensus" has come from Germany's leading power utilities, including RWE, Veba and Bayernwerk, which have been demanding clarity from the government and opposition over the future of nuclear energy, which now provides about 34 per cent of Germany's electricity supply.

Mr Klaus Töpfer, environment minister, announced agreement on the agenda and political participation in the talks yesterday. The first meeting will be held on March 19 and 20.

The inner negotiations will contain 16 members - eight from the ruling government coalition, and eight from the opposition SPD and Greens. A further 12 participants will make up an "energy consensus working group" from the industrial and environmental organisations concerned.

All parties except the Greens agree the first 10-year contract with BNFL must be completed - it contains swingeing penalty clauses for cancellation.

The plan follows a campaign by Greenpeace, the environmental action group, which threatened to bring the waste back to Bonn itself and dump it in the German capital.

The operation, which involves decanting the waste into new containers and shipping it back to Germany in a special goods train, will start this week, Mr Klaus Töpfer, the environment minister, announced yesterday.

It will cost DM3.3m (\$1.98m) of taxpayers' money, the minister said. However he promised to pursue the illegal exporters to pay compensation.

The waste is dumped in and near the town of Sibiu, in central Romania, where many of the containers have corroded, or broken open in the frost, and started leaking their contents, according to Greenpeace.

Mr Töpfer yesterday praised the action group for its campaign, and promised that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Mr Töpfer said that the waste would now be disposed of inside Germany. He said that most of it came from the former East Germany, mainly from the Bitterfeld chemical industry complex in Saxony-Anhalt, but some also came from western enterprises.

Tensions hinder oil deal with Russia

By Chrystia Freeland in Sargut and John Lloyd in Moscow

REPRESENTATIVES from all of the former Soviet republics yesterday began a two-day meeting in the western Siberian oil city of Sargut, in an effort to revive Russia's collapsing oil industry through co-operation.

However, the increasingly tough line being taken by Russia and Ukraine, the two most powerful republics, could make a lasting deal elusive.

Further evidence of tension between the two emerged yesterday, with Ukraine rejecting the call by Mr Boris Yeltsin, the Russian president, for Russia to be given a free hand by the international community, especially the United Nations, to "guarantee peace and stability" throughout the former territory of the Soviet Union.

Mr Mikola Mikhalchenko, chief political adviser to Mr Leonid Kravchuk, Ukraine's president, said: "Ukraine will never recognise that Ukrainian territory is a sphere of special Russian interest... we want relations of equality."

In addition, Mr Leonid Kuchma, the Ukrainian premier, accused Russia of imposing an economic blockade on Ukraine. He saw no alternative but to shift trade between the neighbours to world prices.

"No matter how much we try to negotiate with Russia over prices, we have realised that we cannot escape world prices. But we, in turn, will insist on world prices," the prime minister said.

Ukraine has threatened to charge transit fees at international rates for exporting the Russian gas which goes through Ukraine's pipelines. This amounts to 88 per cent of Russia's total foreign sales.

This was in response to Russia's threat to cut off all gas supplies over Ukraine's gas debt to Russia. Moscow told Ukraine earlier this year that it would charge world prices for gas from February 1.

By contrast, republics such as Belarus and Kazakhstan, which have retained close political links with Russia, appear confident in restoring economic ties as well. However, political rebels such as Georgia said they were in the same position as Ukraine.

"We must speak of an economic blockade," said Mr Tengiz Sigua, the Georgian premier. "Russia is not supplying us with anything at all."

The comments of the leaders of the former Soviet states appear to indicate that Russia, in the grip of continuing economic crisis, is now determined to reward its friends and punish those with which it has strained relations.

Russia expects to produce between 340m-347m tonnes of oil this year, down from 350m tonnes in 1992. The Sargut meeting represents an effort to re-establish these links in the oil and gas sector by creating a "mini-Opec" to co-ordinate investment and production.

Mr Yuri Shafarank, Russian fuel and energy minister, warned that unless the republics co-operated, oil production might be insufficient by 1995 to meet even Russia's own requirements. Mr Shafarank hoped the non-Russia republics would contribute up to Rb5700bn to the Siberian oil industry in exchange for a guaranteed supply of cheap fuel.

Speaking in his office in Berlin, Mr Wolf makes clear that Germany's attitude to EC competition policy mirrors the Bonn government's views on the evolution of the EC as a whole. There is, he argues, a need for more openness in decision-making, more accountability and, in some cases, more devolution of power to member states.

The European Commission is nearing the end of a wide-ranging review of its September 1990 merger rules. Already Germany, along with the UK and France, have indicated that they will resist moves to lower the turnover thresholds above which the EC's competition watchdogs automatically investigate deals affecting the EC market.

EC officials said yesterday the Commission remained "neutral", but Mr Wolf said lowering the current threshold of Ecu5bn (24.13bn) is premature. He is pushing for other reforms, mainly clarity on how and why decisions in Brussels are made, noting that the Commission is not obliged to set out in writing the reasons for competition decisions.

True, the Commission does produce a short summary, but in nowhere near the detail of the UK's Monopolies and Mergers Commission.

He says: "Inevitably there is some political colouring because of the need to have a majority in the Commission. Inevitably, there is the suspicion of a fix."

Because Germany's competition credentials are stronger than most in the EC, Mr Wolf jokes about a two- or three-speed Europe, with Germany, Denmark, the Netherlands and the UK in the fast lane.

Thus, it is also premature to talk up the prospects of a new EC-wide competition authority independent of the Commission: "It won't probably happen before the end of the century."

Harmonising the varying competition laws among member states could take even longer, even if this means a delay in a true single market.

Instead, Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.



British Foreign Secretary Douglas Hurd meeting King Juan Carlos yesterday during his visit to Madrid for talks on Gibraltar

Fabius call to stem the 'tidal wave'

THE campaign for France's two rounds of parliamentary elections on March 21 and 28 officially opened yesterday, with more than 5,000 candidates contesting 577 seats, reflecting the rise of fringe parties and incomplete electoral pacts between certain mainstream parties, writes David Buchanan in Paris.

Seeking to minimise impending defeat, Mr Laurent Fabius, leader of the ruling Socialists, said it was high time for the left to "wake up" and for the Socialists and environmentalists to get together to stem the "tidal wave" forecast for the centre-right opposition.

A CSA poll published yesterday predicted that the RPR-UDF opposition parties would get 38.5 per cent of the popular vote, translating into 424-436 seats out of the total of 556 for mainland France. It put support for the Socialists and their minor allies at 20 per cent, giving them 91-98 seats, and backing for the two environmentalist parties at 17 per cent, translating into only 2-8 seats.

Keen to avoid complacency among his supporters as much after as before the election, Mr Jacques Chirac, leader of the Gaullist RPR party, warned "an unprecedented effort" would be needed after the March poll to put the economy to rights.

The number of jobs, which stands just short of 3m, or 10.5 per cent of the work force, overshadows all other issues. Mr Chirac said he did not think those still in employment would agree to share jobs if they also had to share their salaries.

Special aid for certain hard-hit sectors and a general reduction in social charges paid by companies was a better way, he argued, to pull the economy out of its decline. National output fell 0.5 per cent in the last three months of 1992, and Mr Pierre Bérégovoy, the prime minister, admitted yesterday that the economy had "got off to a bad start in the first quarter" of this year.

But left and right are united in their criticism of the UK government for "social dumping" and of the EC's draft farm accord with the US.

should [in the former Soviet Union], particularly as it accounts for over half of our operations," said Mr Ljungh.

A number of large projects are currently under discussion in the former Soviet Union, including energy projects requiring capital of \$5.5bn in all.

The bank has been presented with "fewer good projects than we would have liked," said Mr Ljungh, adding that it had the financial resources to take on more projects.

The bank's first annual results show that it made a net Ecu8m from investing its large cash resources.

cash reflected the length of time taken to implement projects, said Mr Anders Ljungh, vice president for finance.

Commitments made so far show a bias towards economically and politically more stable states such as Poland and Hungary, and a slow development of projects in the former Soviet Union.

Poland and Hungary account for 44 of the 71 projects approved by the EBRD so far. The Russian Federation, by comparison, accounts for just eight, with less capital committed than to Romania and the Czech and Slovak republics.

"We've done less than we should [in the former Soviet Union], particularly as it accounts for over half of our operations," said Mr Ljungh.

A number of large projects are currently under discussion in the former Soviet Union, including energy projects requiring capital of \$5.5bn in all.

The bank has been presented with "fewer good projects than we would have liked," said Mr Ljungh, adding that it had the financial resources to take on more projects.

The bank's first annual results show that it made a net Ecu8m from investing its large cash resources.

cash reflected the length of time taken to implement projects, said Mr Anders Ljungh, vice president for finance.

Commitments made so far show a bias towards economically and politically more stable states such as Poland and Hungary, and a slow development of projects in the former Soviet Union.

Poland and Hungary account for 44 of the 71 projects approved by the EBRD so far. The Russian Federation, by comparison, accounts for just eight, with less capital committed than to Romania and the Czech and Slovak republics.

"We've done less than we should [in the former Soviet Union], particularly as it accounts for over half of our operations," said Mr Ljungh.

A number of large projects are currently under discussion in the former Soviet Union, including energy projects requiring capital of \$5.5bn in all.

The bank has been presented with "fewer good projects than we would have liked," said Mr Ljungh, adding that it had the financial resources to take on more projects.

The bank's first annual results show that it made a net Ecu8m from investing its large cash resources.

cash reflected the length of time taken to implement projects, said Mr Anders Ljungh, vice president for finance.

Commitments made so far show a bias towards economically and politically more stable states such as Poland and Hungary, and a slow development of projects in the former Soviet Union.

Poland and Hungary account for 44 of the 71 projects approved by the EBRD so far. The Russian Federation, by comparison, accounts for just eight, with less capital committed than to Romania and the Czech and Slovak republics.

"We've done less than we should [in the former Soviet Union], particularly as it accounts for over half of our operations," said Mr Ljungh.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

age 2-litre car in the EC varies from 15 per cent in Luxembourg and Germany to 213 per cent in Denmark. "Apart from being contrary to the philosophy of the single market, these discrepancies obviously cause distortion in the cross-border movement of new motor vehicles," ACEA says.

EC legislation has set minimum levels of value added tax across the Community, and cut higher VAT rates, but it has not affected additional sales and registration taxes in some member states.

German with plan for EC glasnost

By Lionel Barber in Brussels

LIKE Theodore Roosevelt, the reformist US president at the turn of the 20th century, Mr Dieter Wolf speaks softly but carries a big stick.

After six months in office, Mr Wolf, the new president of the Federal Cartel Authority, Germany's anti-trust authority, has started to spell out his views on the future of EC competition policy. His thoughts may disappoint those in Brussels who saw the 1990s as a decade of expansion of EC powers at the expense of member states.

Speaking in his office in Berlin, Mr Wolf makes clear that Germany's attitude to EC competition policy mirrors the Bonn government's views on the evolution of the EC as a whole. There is, he argues, a need for more openness in decision-making, more accountability and, in some cases, more devolution of power to member states.

The European Commission is nearing the end of a wide-ranging review of its September 1990 merger rules. Already Germany, along with the UK and France, have indicated that they will resist moves to lower the turnover thresholds above which the EC's competition watchdogs automatically investigate deals affecting the EC market.

EC officials said yesterday the Commission remained "neutral", but Mr Wolf said lowering the current threshold of Ecu5bn (24.13bn) is premature. He is pushing for other reforms, mainly clarity on how and why decisions in Brussels are made, noting that the Commission is not obliged to set out in writing the reasons for competition decisions.

True, the Commission does produce a short summary, but in nowhere near the detail of the UK's Monopolies and Mergers Commission.

He says: "Inevitably there is some political colouring because of the need to have a majority in the Commission. Inevitably, there is the suspicion of a fix."

Because Germany's competition credentials are stronger than most in the EC, Mr Wolf jokes about a two- or three-speed Europe, with Germany, Denmark, the Netherlands and the UK in the fast lane.

Thus, it is also premature to talk up the prospects of a new EC-wide competition authority independent of the Commission: "It won't probably happen before the end of the century."

Harmonising the varying competition laws among member states could take even longer, even if this means a delay in a true single market.

Instead, Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Mr Wolf would like greater clarity in procedures for vetting cartels and abuse of a dominant market position, under Articles 85 and 86 of the Treaty of Rome.

At present, he estimates some 200 cases are outstanding in Brussels, and the number is expected to rise because of the single market.

Hoechst is accused over chemical spray

HOECHST, one of the three giant German chemical companies, has been accused of reacting too slowly after it sprayed about 10 tonnes of chemicals - some potentially toxic - over a Frankfurt suburb, writes Clive Cookson in Frankfurt.

Hoechst insists there is no danger to residents from exposure to chemicals from the company's plant. Company officials say the direct costs of the accident, which happened a week ago, will be at least DM10m (\$6.14m) and perhaps several times more.

At least 10 different chemicals were discharged in the accident at its Griesheim plant, the company said yesterday after analysing soil samples. Some of the chemicals are potentially toxic or caustic. They include two tonnes of ortho-nitroanisole, a smelly, yellow chemical used to make dyes, which the company says is "potentially carcinogenic."

State government officials say Hoechst responded too slowly to the accident and failed to disclose details on what the chemicals are and their potential toxicity.

kick-backs in return either for rigged contract bids or providing favoured treatment to the bidding consortia.

But as more executives and owners are caught in the magistrates' investigative net, the impact is increasingly being felt on company decision-making processes, their balance sheets, and company reputations. "We are particularly concerned about the impact this will have on the reputation of Italian contractors abroad," commented a spokesman for Ance, the Italian construction association.

In the case of state-run entities where management has been arrested or placed under investigation, the decision-making process has been especially slowed. At Anas, the

public works minister, readily admits that he himself has blocked a large number of contracts, especially road works,

because

Congress urged to act quickly on pilot scheme

Clinton moves on community service

By George Graham in Washington

PRESIDENT Bill Clinton yesterday unveiled a pilot scheme he hopes to develop into a far-reaching national service programme with the impact of the GI bill in the 1950s or the Peace Corps in the 1960s.

Mr Clinton asked Congress to act quickly on a summer initiative designed to create a core group of about 1,000 leaders to spur community service programmes around the country.

The pilot programme is intended to develop into a broader scheme to provide loans for university education, to be paid off by community service, which the president hopes will involve 100,000 people by 1997. He proposes that participating graduates would undertake either one or two years of direct community service, or repay the loans as a percentage of the

graduate's subsequent income.

The president's promise that "in a Clinton administration everyone will be able to get a college loan as long as they're willing to give something back to their country in return" was one of his most productive themes during last year's presidential campaign.

With tuition costs at US universities rising by an average of more than 10 per cent a year throughout the 1980s, the cost of higher education has become a particularly daunting prospect for the middle-income families that Mr Clinton targeted during the campaign.

Budget realities, however, have forced the new president to scale back some of his ideas. The programme is now budgeted at \$98m (\$69m) next year, climbing to \$3.4bn in 1996, as part of a broader "lifelong learning" spending package totalling \$37.8bn in 1994-97, compared with \$53.3bn spent over four years in Mr Clinton's campaign manifesto.

The president said in an article in the New York Times on Sunday that his national service programme would concentrate on providing young people to work in schools, immunisation clinics, police forces and environmental projects.

He argued, however, that the programme could have a wider impact on a whole generation, as the Peace Corps created by President John Kennedy had for his own generation.

"At its peak, the Peace Corps enrolled only 16,000 volunteers yet it changed the way a generation of Americans look at themselves and the world," Mr Clinton wrote.

He was also due to present his national service scheme last night on a special programme on MTV, the music video channel which last year became the favourite means of targeting younger voters for both Mr Clinton and his opponent, former President George Bush.

Key index hints at slower US growth

By Michael Prowse in Washington

A SLEW of figures yesterday pointed to a steady expansion of the US economy but probably at a slower pace than the 4.1 per cent annual rate of growth registered in the second half of last year.

The purchasing managers' index - a closely watched barometer of conditions in manufacturing industry - fell to 55.8 per cent last month from 58.0 in January. The dip mainly reflected a slower rate of growth of new orders, which had soared to a nine-year high in January.

However, the index remained well above the 50 per cent level which is the threshold for growth of the manufacturing sector.

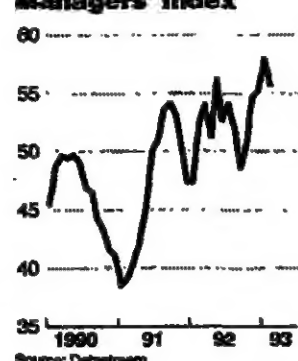
Mr Robert Bretz, a spokesman for purchasing managers, brushed off the dip in the

index. He noted several encouraging signs, including the second highest reading in five years of the association's production index.

The Commerce Department said personal incomes grew 0.5 per cent between December and January following a 1 per cent increase in the previous month. Personal consumption spending rose 0.3 per cent against a 0.8 per cent increase in December. After allowing for inflation, however, real consumer spending fell 0.1 per cent in January, a reaction to pre-Christmas spending.

However, officials said December incomes had been boosted by the bringing forward of bonus payments in the securities industry, farm subsidies and social security benefit payments. Excluding special factors, incomes grew by only 0.3 per cent in December, less than in January.

US Purchasing Managers' Index



The department also reported a 1.3 per cent decline in construction spending between December and January, the first drop in five months.

Separately the National Association of Realtors reported that sales of existing homes fell 6.4 per cent between December and January, after seasonal adjustment, against a revised 4.7 per cent gain in the previous month. However, on an annual comparison sales were up nearly 15 per cent in January.

Growth in industrialised countries seen as vital

Caribbean economic hopes rest with trading partners

By Canute James in Kingston

CARIBBEAN countries can expect to improve on last year's sluggish economic performance only if there is significant growth in the industrialised countries, particularly in North America and Europe, according to the Caribbean Development Bank.

In a review, the Barbados-based bank said the medium-term prospects were also clouded by fears among the region's producers and exporters about the impact of new trade blocs and the reduction of import tariffs by several countries.

The bank said the weak economic performance of most of its borrowing members last year "reflected prolonged recession in their major trading partners and tight fiscal and monetary policies as many countries sought to protect the balance of payments contracting aggregate demand".

The CDB, which has resources of \$800m (\$538m), provides project loans for its 17 borrowing members. Its main contributors are the US, Can-

ada, Britain, France and Germany.

The bank reported that while some economies, such as Barbados and Dominica, contracted last year, Guyana and Belize each grew by about 7 per cent. Guyana's economy was buoyed by improved performance in all sectors except bauxite, while there was expansion in agricultural output in Belize.

Other countries recorded growth below 4 per cent, the report said, with Jamaica's performance aided by stabilisation of interest rates and the slackening of inflation. Trinidad and Tobago suffered from a weak balance of payments.

"The generally weak regional performance has contributed to mounting unemployment, with several of the larger borrowing members reporting rates in excess of 20 per cent."

Tourism, increasingly important to many Caribbean economies, grew by 2 per cent last year, with a decline in the North American market being compensated for by an increase in the flow of visitors from

Europe. The fall in volume from North America was caused mainly by recession in the US and Canadian economies, the bank said.

Favourable weather last year contributed to an increase in banana exports to Britain, the CDB reported. But it warned that despite the European Community's agreement on a new marketing arrangement to be implemented in July, "the future of this industry in the region appears relatively uncertain".

The region's sugar producers improved last year - with the exception of Barbados - with output growing by 38 per cent in Guyana.

The bank reported, however, that the industry was adversely affected by a reduction in US import quotas. Recession in the region's key markets dampened manufacturing output, while a weak aluminium market depressed demand for bauxite produced in Jamaica and Guyana. Falling oil prices and reduced production cut Trinidad and Tobago's earnings from its petroleum sector.

President's grumbling strikes a chord

Brazilians love it, but the business community and economists are wincing, reports Christina Lamb

PRESIDENT Itamar Franco has Brazil's business community and economists appalled, but his support among the public in general continues at levels that most government leaders can only envy. When Mr Franco visited the historic town of Olinda last week to watch the carnival celebrations he received standing ovations. The latest polls show popularity ratings of 75 per cent.

Mr Franco seems to have struck a chord among the Brazilian people, who feel long abused by profit-hungry businessmen and ministers with high-faluting economic theories that have caused a three-year recession, soaring unemployment and public debt, with no visible results in terms of reducing inflation.

For many, his down-to-earth honesty and daily gripes have come as a welcome change from the slick talk and glamorous ways of his predecessor Mr Fernando Collor, who was

accused of lining his pockets while talking austerity, resulting in his impeachment.

Mr Franco, whose thick glasses give him a permanently bemused air, spends his spare time taking his ministers to the circus or watching children's movies like Home Alone 2. He apparently sees no contradiction in wanting low interest rates, low inflation, higher wages and increased public spending and believes that removing three zeroes from the cruzeiro - now 22,800 to the dollar - would weaken it.

What traders have called "the Itamar effect" - off-the-cuff comments on the economy which send the markets plummeting - made its first appearance on the day he took office. Mr Franco said he did not care what the markets in Brazil or the bankers in Lon-

don and New York thought, and that if foreign bankers wanted to negotiate with Brazil they should learn Portuguese.

He woke his first economy minister up early in the morning, furious that an increase in fuel prices had been authorised without his knowledge, and told the press he would take charge of all tariff increases - a situation that drove the head of Petrobras, the state oil company, to resign and pushed the company into red.

Discovering that the price of his mouth ulcer cream had gone up, he declared war on the pharmaceutical companies with a series of punitive measures scaring off any potential foreign investment.

Criticising the price of cars, he offered incentives to the

manufacturers to relaunch the VW Beetle, causing dismay among richer Brazilians eager for the country to start producing up-to-date models.

A staunch defender of the state, he suspended the privatisation programme and talked about renaming the currency the cruzeiro forte - "strong cruzeiro" - as if a simple change in nomenclature could solve all Brazil's problems.

Each day a new comment has economists groaning. One trader said: "Each morning I take a deep breath before I look at the headlines to see the latest from Itamar. He acts as if he is opposition rather than president."

Most damaging of all have been his open attacks on his economy ministers. Mr Gustavo Krause, the first, quit in December after being subject to a series of criticisms from the president.

It is not clear how far Mr Franco's strategy is deliberate. Mr Pedro Motta Veiga, director of the Rio-based Foreign Trade Foundation, says: "I think Itamar is just as much a marketing man as Collor."

The marketing seems to work. Around the news-stands of Brazilian cities can generally be found clusters of ordinary people murmuring in agreement with the president's latest complaints, as if he himself bore no responsibility for the country's problems.

But it is not clear how much longer Mr Franco's honeymoon with the public will last. Yesterday the main Brazilian papers were preparing angry editorials over the departure of Mr Paulo Haddad from the Economy Ministry. His replacement, Mr Eliseu Rezende, may not allow himself to be made the scapegoat for inflation in the same way as his two predecessors.

Insurers brace for New York bomb damage claims

By Richard Lapper

INSURERS could face claims of many hundreds of millions of dollars as a result of the weekend's bomb damage at the World Trade Centre in New York City. However, with considerable uncertainty over the circumstances of the claim, it is likely to be weeks before the industry provides an estimate of the loss.

"We already know this is going to exceed the definition of a catastrophe, there is no question about that," Mr Ronald Krauss of the American Insurance Association said yesterday.

It is going to be "a loss running into billions of dollars", said one London broker.

The New York Port Authority, which owns and operates the centre, has a complex series of insurance policies covering both property and liability claims.

Assuming that these are valid in the case of a terrorist attack - which could not be verified last night - claims will be substantial. Insurance analysts described the closure of the towers as a "catastrophe" for the insurance industry.

On the Port Authority programme, US insurers will meet most claims up to \$400m. The troubled Lloyd's of London insurance market has a limited exposure to any potential claims through a reinsurance

arrangement covering some \$200m of losses above \$400m for all property damage and similar amount of losses arising from liability claims.

Brokers CE Heath placed both reinsurance programmes into the London market.

Claims could also come from the building's tenants, which make their own separate insurance arrangements to cover risks to property, business interruption and liabilities.

Insurers believe that claims arising from damage to the building's fabric and interruption to business alone will be substantial. In the UK insurers have paid \$200m in property and business interruption claims following the bomb attack on the Commercial Union building in the City last April.

In New York the threat of legal action - both from the wounded and relatives of the five people killed in the attack, as well as potentially from commercial insurers - can be expected to increase the scale of the claim.

Many of those caught up in the bombing might lodge claims to compensate for stress, which would leave insurers with additional claims on workers' compensation and other policies.

"This is one of the most litigious cities in the world. It is a can of worms," commented one London broker.



New York Police Commissioner Raymond Kelly in front of the World Trade Centre towers, hit by a bomb last week that left five dead. Police officers have found traces of nitrate, an ingredient in dynamite, at the blast site but investigation is being hampered by the instability of the twisted rubble beneath the towers. However, authorities say they have a number of leads.

Cocaine suspect surrenders

THE man considered by police to be the financial brains behind the Medellín cocaine cartel has surrendered to authorities, the attorney general's office said yesterday, AP reports from Bogotá.

Mr Jose Fernando Posada, 38, turned himself over to representatives of the Medellín prosecutors' office waiting outside a cinema on Sunday night. He was taken to a maximum security prison outside Medellín where 17 other cartel members are being held.

Mr Posada was the fourth leading cartel member to surrender in recent weeks under a government offer of leniency. Authorities say the surrenders

are weakening the organisation led by fugitive drug lord Mr Pablo Escobar.

Meanwhile, a wealthy Medellín businessman who is reported to have links to Mr Escobar was kidnapped yesterday, police said. Mr Luis Guillermo Londono White was abducted from his home by about 15 gunmen.

The abduction came 48 hours after an attack on the home of his brother, Mr Diego Londono White, an architect who has said he once worked for Mr Escobar.

Mr Diego Londono White told Medellín television that the gunmen were members of People Persecuted by Pablo

Escobar, a secretive group that has pledged to kill Mr Escobar.

Reuter adds: Colombian authorities seized nearly \$5.5m in more than 890 domestic bank accounts and arrested 250 people during a 15-month crackdown on drug traffickers' money-laundering networks, the Colprens news service said on Sunday.

Quoting police, Colprens said Colombian authorities and Interpol uncovered the main networks used by the Cali and Medellín drug cartels in a 15-month investigation.

It said the cartels moved their money through fictitious export and import companies and money exchange houses.

Campbell sets pace in Canada succession race

IT HAS taken less than two months for Ms Kim Campbell to make her mark as Canada's defence minister. Foreign diplomats have already detected a more forceful articulation of defence policy, ranging from a blunt affirmation of Ottawa's contentious order for 50 European-built helicopters, to the deployment of Canadian troops on a risky new mission in Bosnia-Herzegovina.

The diplomats have also noticed that, since Ms Campbell took over the portfolio in January, statements which used to be made by the chief of defence staff now come from the minister's office.

Such evidence of decisiveness and ambition help explain why Ms Campbell - whose real first name is Avril - has quickly emerged as the front-runner to succeed Mr Brian Mulroney as Canada's 19th prime minister.

Mr Mulroney announced his resignation last week but, as is normal in Canada, will remain in office until his party holds a convention to choose a new leader. The convention will probably be held in June.

Bernard Simon on the forceful defence minister widely tipped to replace Brian Mulroney as prime minister later this year

giving the new leader no more than five months to prepare for the general election, which must be called by November.

No one has yet stepped forward as an official candidate. For the moment all those who may be in the running are taking the lie of the land, putting together alliances and organisations, and scraping together the substantial funds required for a leadership campaign.

Besides Ms Campbell, the candidates are expected to include Mr Perrin Beatty, communications minister, and Mr Jean Charest, who holds the environment portfolio. Mr Michael Wilson, the veteran trade minister, may also throw his hat into the ring.

Each of these men appears, however, to have a weak spot. Mr Beatty, who is in his early 40s, has been in parliament for 21 years but is widely regarded as lacking substance. Mr

Charest, 34, is bright, personable and bilingual. But convention delegates, many of them from western Canada, are unlikely to favour one Quebecer handing over the leadership to another. Mr Charest will probably emerge from the convention as a man to watch in the future.

Mr Wilson's seniority is offset by his plodding manner, his poor French and his identification with the most unpopular policies of the Mulroney era, such as free trade and the goods and services sales tax.

Early opinion polls indicate that, of all the prospective candidates, Ms Campbell has the best chance of narrowing the gap which has opened between the Conservatives and the opposition Liberals.

Before last week, the Liberals could count on the backing of about 45 per cent of decided voters, against less than 19 per cent for the Conservatives. But according

to a Gallup poll taken shortly after Mr Mulroney's announcement, the two parties would be almost neck-and-neck with Ms Campbell at the helm. Mr Wilson was the second most popular choice.

Ms Campbell, who turns 46 next week, has the rare combination in Canadian politics of being a woman from British Columbia who speaks fluent French. She gained a reputation during three years as justice minister as an intelligent, ambitious and forthright politician with a knack for pushing legislation through parliament.

"She knows what she wants, but she's able to work in a team and to convince people that she has the right solution," says Mrs Paule Gauthier, president of the Canadian Bar Association.

The UK government will have an opportunity to size up Ms Campbell when she visits London later this month for talks

with Mr Malcolm Rifkind, her British counterpart.

Political observers say Ms Campbell's biggest handicap is an intellectual aloofness. She studied Soviet government at the London School of Economics (and speaks passable Russian), lectured in political science at the University of British Columbia and, in her mid-30s, qualified as a lawyer. Her hobbies include painting and playing the cello.

Opinions are divided on whether Ms Campbell can repeat Mr Mulroney's success in persuading Quebecers to vote Conservative; she is not well known in the francophone province. The Tories have yet to cement the Quebec political organisation crucial to victories in 1984 and 1988.

One favourite convention scenario is that Ms Campbell will emerge as the winner, but with a Quebec "Lieutenant" at her side, perhaps Mr Charest or Mr Benoit Bouchard, the popular health and welfare minister. But with three months to go before delegates gather, no firm bets are being placed.



Kim Campbell: 'Knows what she wants'

economic ambitions much more



ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE (IRI) S.p.A.

INVITATION TO OFFER FOR FINANZIARIA ITALGEL S.P.A. AND FINANZIARIA CIRIO-BERTOLLI-DE RICA S.P.A. WHICH WILL BE OWNED BY IRI AND MINORITY SHAREHOLDERS AFTER THE DEMERGER OF SME

On January 7, 1993 a meeting of the shareholders of Istituto per la Ricostruzione Industriale S.p.A. ("IRI"), (headquartered in Rome, Via Vittorio Veneto 89), approved the plan for the demerger of Società Meridionale Finanziaria S.p.A. ("SME"), (headquartered in Naples - Centro Direzionale, Via G. Porzio, 4, Isola A, Edificio 7). IRI owns 62.12% of SME's share capital. On February 2, 1993 the Board of Directors of SME began procedures for the demerger. The demerger project, which will need to be approved by the statutory bodies of SME, foresees, among other things, the formation of two companies, Finanziaria Italgel S.p.A. and Finanziaria Cirio-Bertolli-De Rica S.p.A. (the "Companies"), the transfer to these Companies, respectively, of all the shares held by SME in Italgel S.p.A. ("Italgel") (100%) and Cirio-Bertolli-De Rica Società Generale delle Conserve Alimentari S.p.A. ("CBD") (99.99%) and the assignment of shares in the newly constituted Companies to the shareholders of SME proportionally to their stake in SME's share capital.

A request for quotation on the Stock Exchanges of Florence, Genoa, Milan, Naples, Palermo, Rome, Turin and Trieste for each of the Companies is expected.

Simultaneously with the establishment of the procedures for the demerger and depending on the implementation of the latter, IRI intends to solicit and to screen acquisition offers for that part of the share capital of each of Finanziaria Italgel S.p.A. and Finanziaria Cirio-Bertolli-De Rica S.p.A. which IRI will hold as a result of the demerger.

For the purposes of this transaction IRI has engaged the services of Wasserstein Perella International Limited ("WP"). Interested parties should direct any enquiries to the following:

Wasserstein Perella and Co. Limited

10-11 Park Place

London SW1A 1LP

England

Marco Capello - Director

Karen Dodd - Associate

Tel: (44-71) 499 4664

Fax: (44-71) 495 2545

Wasserstein Perella & Co., Inc.

31 West 52nd Street

New York, NY 10019

USA

Robert Puzan - Vice President

Tel: (212) 969 2700

Fax: (212) 969 7879

Offers can be presented for the shares of one or both of the Companies. If offers refer to both Companies, such offers must be separated.

The assets of Finanziaria Italgel S.p.A. and Finanziaria Cirio-Bertolli-De Rica S.p.A. will essentially consist of the shares of Italgel and CBD respectively. Some key facts relating to the latter two companies are given below.

• **Italgel S.p.A.**, headquartered in Parma, Via Mentana, 43, is registered with the law courts of Parma n. 4075, has fully paid up share capital of Lit 70 billion and is involved in the production and sale of ice-cream, frozen pastries and frozen food products. The production value in 1991 was Lit 743.2 billion.

The total number of employees at 31 December, 1991 was 1,628.

Location of manufacturing facilities: Benevento, Ferentino (FR), Parma, Porto d'Ascoli di San Benedetto del Tronto (AP).

Principal subsidiaries:

- Gruppo Dolcario Italiano S.p.A. of Novara. Activities: production of panettone, pandoro, colomba and chocolate eggs.

- Ingedo S.p.A. of Parma. Activities: leasing of real estate and fixed assets.

• **Cirio-Bertolli-De Rica Società Generale delle Conserve Alimentari S.p.A.**, headquartered in Naples, Centro Direzionale, Isola B, Loto 2, Palazzo Genedil, is registered with the law courts of Naples, n. 3362/81, has fully paid up share capital of Lit 147.56 billion, and is active in the manufacturing and distribution of food products.

The production value in 1991 was Lit 760.7 billion.

The total number of employees at 31 December, 1991 was 1,380.

Location of manufacturing facilities: Calvano (NA), Pagani (SA), Piana di Monteverna (CE), Livorno, Lucca, S. Polo di Podenzano (PC), Frosinone, Fiorenzuola d'Arda (PC), Arenaro (RM), Santa Maria a Vico (CE).

Principal subsidiaries:

- La Paganeria S.p.A. of Naples. Activities: management of an agricultural company.

- Società Generale delle Fattorie Latte Italia S.p.A. of Naples. Activities: management of agricultural companies.

- Calabrianale S.p.A. of Lamezia Terme (CZ). Activities: marketing of regional food products.

- Sif SME International Foods of Novara. Activities: management of the group's activities abroad.

- SME Ricerche S.C.p.A. of Naples. Activities: studies and research in the food sector.

This invitation is being extended only to limited liability companies or other entities which as of the date of the last approved financial statements had net assets, or equivalent, of not less than Lit 50 billion, and where it is confirmed that this amount of net assets continues to exist at the date of request for Information Memoranda relating to Finanziaria Italgel S.p.A. and/or Finanziaria Cirio-Bertolli-De Rica S.p.A. Brokers, trustees, partnerships and single persons or private entrepreneurs are excluded.

In the event that two or more parties acting in concert are interested in making an offer, the aforementioned requirements should be adhered to by each of these parties.

Parties interested in making an offer for Finanziaria Italgel S.p.A. and/or Finanziaria Cirio-Bertolli-De Rica S.p.A., who meet the aforementioned requirements should register such interest by contacting WP in writing not later than March 9, 1993, whereupon they will be informed as to the procedures for applying for the Information Memoranda and the sale and purchase agreement (such application to be referred to as the "request") and will be sent the text of the Confidentiality Agreement. Registration of interest by fax is acceptable.

The request should be received by WP not later than March 18, 1993 and should include: the explicit acceptance of the procedure as described in this invitation and the Confidentiality Agreement, signed by the legal representative; a copy of the Articles of Association and of the bylaws of the interested party; a list of members of the Board of Directors and Committees of the Board; financial data for the last three years or for parties established more recently, financial data for the available years; if a limited liability company, a list of the 10 principal shareholders with an indication of their relative shareholdings, eventual financiers of the acquisition (with indication of their ultimate holding companies, subsidiaries and fellows); and any other information considered necessary to illustrate the manufacturing, commercial, organisational, and financial position of the parties interested in the acquisition.

In the event that two or more parties acting in concert are interested in making an offer, the documents attached to the request should refer to each one of these parties. The request should also indicate which of the parties is fully authorised to fulfill the whole procedure and the consequent contractual obligations. Documents detailing such authorisation and the text of all agreements necessary for accomplishing the procedure must also be attached.

Any request received after March 18, 1993 or any request which does not include all of the aforementioned documents or any request presented by:

- WP, its parent companies, its subsidiaries, or fellow subsidiaries; or

- parties financed by WP with the aim of acquiring the aforementioned stake, their parent companies, subsidiaries, or fellow subsidiaries; or

- parties who provide finance to other parties for the purpose of the acquisition, their parent companies, subsidiaries and fellow subsidiaries will not be considered.

IRI reserves the right, at its sole discretion and without any obligation to explain its decision, to refrain from providing the Information Memoranda and the sale and purchase agreement.

The receipt of the Information Memoranda and of the sale and purchase agreement is a prerequisite for the presentation of an offer for acquisition.

Interested parties should, not later than 17.00 GMT on 7 April, 1993 deliver to WP at the aforementioned London address, in a sealed envelope bearing the wording "Preliminary Offer Finanziaria Italgel S.p.A./Finanziaria Cirio-Bertolli-De Rica S.p.A.", a preliminary offer (the "Preliminary Offer").

The Preliminary Offer should include the following information:

- price offered (in Italian lire)
- detailed plan of financial instruments to be used for the acquisition
- timing and procedures for the payment of the price
- guarantees offered in case of delayed payment
- approval by corporate bodies of the bidders and indication of any additional approval necessary for the final completion of the transaction
- acceptance of the sale and purchase agreement and, in general, of the rules that guide the privatisation of state-owned companies in Italy
- undertaking to offer to acquire, over and above IRI's shareholding in the equity of either or both of the Companies, the shares owned by minority shareholders on the same terms (or, if the sale of IRI's stake is completed after the listing on the Stock Exchange of the Company, the buyer should launch a Public Purchase Offer - OPA under the procedures prescribed by the current Italian laws)
- reason of the investment and strategic guidelines which would be followed after the eventual acquisition, such guidelines taking into account the national agricultural infrastructure
- undertaking to pursue the guidelines of the current corporate programmes of the Companies and their subsidiaries for which the Preliminary Offer has been made, and, in particular, to guarantee the continuity of the production, the protection of the employment at the date of the acquisition and the maintenance of the current economic and legal agreements for the individual employees
- undertaking to give effect to the procedures of information and talks with unions, in accordance with the timing and procedures set by art. 47 of law 29/12/90, n. 428
- undertaking to provide, as part of a Definitive Offer as specified below, a guarantee, autonomous and on demand, for Lit 50 billion, issued by a primary bank, valid until the completion of the sale and capable of being withdrawn starting from the 121st day after the date of presentation of the Definitive Offer. The guarantee should warrant the specific performance of all obligations, arising to potential buyers from the presentation of such offer and the eventual enhancement of it. In the event that an offer is presented by two or more parties acting in concert, each and every one of such parties will remain liable individually and severally for all obligations arising, including those deriving from the Definitive Offer as specified below.

WP will inform the parties who have presented an offer regarding their admission or otherwise to the following phase of the process, without any obligation to explain the decision.

In the following phase, WP will organise presentations with the management of the Companies and access to information further to that presented in the Information Memoranda, sending a schedule to each party admitted. This schedule will indicate the final date for the presentation of the Definitive Offer as specified below.

On such a date, the bidders should send to the notary indicated by WP, in a sealed envelope bearing the wording "Definitive Offer" ("Finanziaria Italgel S.p.A." or "Finanziaria Cirio-Bertolli-De Rica S.p.A."), confirmation or modification of the price indicated in the Preliminary Offer, expressly declaring, at the risk of being excluded from the process, that this price, confirmed or modified, is offered also for the total assets of the company in their current condition (de iure and de facto) and all legal obligations (active and passive) of Finanziaria Italgel S.p.A./Finanziaria Cirio-Bertolli-De Rica S.p.A. and their respective subsidiaries and other affiliated companies and that the offer is firm, not capable of being withdrawn, binding and unconditional (except for the condition that the demerger be completed), valid until the completion of the sale, still being clear that any bidders who should intend to withdraw from the acquisition will be relieved of any obligations undertaken within this transaction starting from 121st day after the presentation of the Definitive Offer.

Bidders should also enclose in the aforementioned envelope the bank guarantee which they undertook to provide with the Preliminary Offer.

Once the offers have been received, IRI, at its sole discretion and without obligation to explain its decisions, may either:

- select the buyer and start, if necessary, negotiations; or
- select the parties among which solicit price increases at a level over and above the previous best offer after, if necessary, providing further information.

The party selected by IRI, at IRI's sole discretion, as the buyer of the aforementioned shares, should comply with the rules set by law 10/10/1990, no. 287 and the procedures for information and labour consultation to be undertaken in accordance with the timing and procedures set by art. 47 of law 29/12/1990 no. 428.

Neither this invitation nor the eventual offers IRI might receive, imply for IRI any obligation of engagement to the sale towards eventual bidder, and, for the latter, any right to whatsoever performance by IRI (including the payment of brokerage and eventual advisory expenses).

IRI, at its sole discretion, without obligation to explain its decision, and at any time, reserves the right to withdraw from negotiations for the sale of the shares of one or both of the Companies and to interrupt the procedures for the sale of the shares of one or both of the Companies without the interested parties or the buyers being able to make any claim on IRI for indemnification, even for costs specific to the transaction.

Such claims may also not be made in the event that the demerger procedures do not take place due to "force majeure" and/or because of circumstances beyond the control of either IRI or SME.

This represents neither a public offer ex art. 1336 of Italian Civil Code, nor a solicitation to public saving, ex art. 1/18 of Italian law 7/6/74 no. 216 and successive modifications and integrations.

The Italian text of this announcement will prevail over any other version.

This invitation and the sale procedure are subject to Italian law; in case of any kind of controversy related to the above, the Court of Rome (Italy) will have jurisdiction.

The advertisement, for which Istituto per la Ricostruzione Industriale S.p.A. is responsible, has been approved by Wasserstein Perella & Co. Limited, a member of the Securities and Future Authority, for the purposes of Section 57 of the Financial Services Act 1986. Wasserstein Perella & Co. Limited is acting for Istituto per la Ricostruzione Industriale S.p.A. in relation to the publication of this advertisement and is not acting for any other persons and will not be responsible to such persons for providing protections afforded to customers of Wasserstein Perella & Co. Limited or advising them as to any matter referred to herein.

British Gas faces demand for break-up

By Deborah Hargreaves

A CALL for the wholesale break-up of British Gas, the national domestic and industrial supplier, came yesterday from the industry's regulator as a way of reducing prices for household customers.

The radical proposals to introduce more competition have plunged the relationship between the company and Sir James McKinnon, director general of Ofgas, to a new low. British Gas called Sir James's proposals "a smash and grab raid" on its business that would cost £3bn over 10 years.

Sir James's proposals call for British Gas to be broken up into 12 regional marketing companies with a separate gas purchasing arm. The regional companies would not have British Gas's current monopoly over domestic supply, opening up the market for rivals.

The regulator, who has waged a battle of attrition against British Gas's market power, wants the break-up in addition to hiving off the company's pipelines and storage system.

"It's a logical development," Sir James said, "if there is any desire to give domestic customers some kind of choice, this is the route to go."

He believes more choices will lead to lower prices.

Sir James's proposals were made in a submission to the

Monopolies and Mergers Commission and released to the public yesterday. The commission is reviewing the structure of the gas industry after previous rows, and is due to make its report next month.

Mr Cedric Brown, chief executive of British Gas, who was yesterday giving evidence to the commission on why the company should not be broken up, predicted that Sir James's proposals could lead to prices increasing of up to 15 per cent.

Mr Brown called Sir James's proposals "superficial and poorly argued."

British Gas said that to dismember its business would cost on average £166 for each customer as well as £1,500 per shareholder, although it gave no indication as to how the costs would break down. The company also said the industry would face disruption for 18 months.

Ofgas claims that the cost of break-up would be closer to £28bn than the £3bn cited by British Gas.

British Gas has 30 rival companies already supplying industrial customers. Many of these, including the British regional electricity companies, are keen to enter the domestic market.

But British Gas says its competitors would not have the same safety standards or an obligation to maintain supplies.

Monopolies probe into UK condom market

By Robert Rice and Maggie Urry

THE £45m a year UK condom market is to be investigated by the Monopolies and Mergers Commission.

Sir Bryan Carsberg, director general of fair trading, said changes in the market meant price controls introduced after an earlier MMC inquiry in 1982 needed to be reviewed.

The supply of contraceptive sheaths in the UK is dominated by LRC Products, part of the London International Group, which has some 75 per cent of the market with its Durex

brand. Mates - originally owned by the Virgin Group but sold three years ago to the Australian Ansell Corporation - is the second largest with some 20 per cent.

When the MMC last looked at the market it concluded LRC's monopoly position with between 90 per cent and 95 per cent of the market operated against the public interest, and that its prices might be expected to become excessive.

LRC gave undertakings to the Office of Fair Trading that it would limit growth in its average realised price - total UK turnover divided by total

UK volume - to below 1.5 per cent below an index of costs close to the retail price index.

Sir Bryan said yesterday: "Although the price control arrangements have restrained the rate of increase of average realised prices, I believe the market has changed and the price control arrangements now need to be reviewed."

He said he would be particularly interested in the MMC's views on the price control mechanism and whether it had damaged the prospect of successful competition.

LIG yesterday welcomed the MMC reference. It said that the

business affected represented about £20m of sales, at wholesale prices, 5 per cent of group turnover. LIG's shares fell on the news but recovered to close unchanged at 220p. The company said the UK was the only market where it faced price controls.

The commission has been given nine months to report.

Procedures for investigating monopolies and mergers by the UK competition authorities are slow in focusing on the real issues, involve duplication of effort and impose an unnecessary burden on managements over an extended period,

according to a survey by accountants Ernst & Young.

The survey of 25 companies involved in recent MMC inquiries found the Office of Fair Trading was thought to be too quick to initiate inquiries and gave inadequate explanations of the reasons for references to the MMC. The companies also felt the MMC collected too much detailed information, that there was a lack of commercial awareness in both the OFT and the MMC and that MMC inquiries were too wide ranging with issues of little relevance still left open at a late stage of the inquiry.

St David sets pace for council reforms

By Anthony Moreton

THE government yesterday chose the feast of St David, the patron saint of Wales, to announce the reorganisation of local government in the principality. Similar plans are being discussed in Scotland and in England.

Local government in Britain, last reorganised in 1974 and 1975 by the Conservatives, faces widespread reform. In Wales the government intends to replace the eight current counties and 37 districts with 21 unitary authorities responsible for all local services.

The Welsh capital, to be known in future as the city and county of Cardiff, is to be given a special role in the reorganisation. A study is to be undertaken of how the city, and its position as capital, should develop over the next 25 years.

Elections for the new councils will be held next year and they authorities will come into being legally on April 1 1996.

Counties, the basic building blocks of local government in Britain, stretch back to Saxon times. Some, like Kent and Sussex, were kingdoms. Others were formed by Act of Parliament.

The first comprehensive system of local government was set up in the nineteenth century. The 1974 reforms created two tiers: county and district.

The present reforms were set in motion in 1992 and are expected to produce more "one tier", or unitary, councils: although local conditions are likely to mean exceptions to the pattern.

In the twentieth century local government has provided a wide range of services such as street cleaning, education, environmental health control, road building, street lighting, and monitoring the police.

A report last month by management consultants Touche Ross put the cost of the reorganisation ranging from as low as £66m over 15 years to as much as £153m at constant prices. Touche Ross also projected potential savings from a minimum of £17m a year.

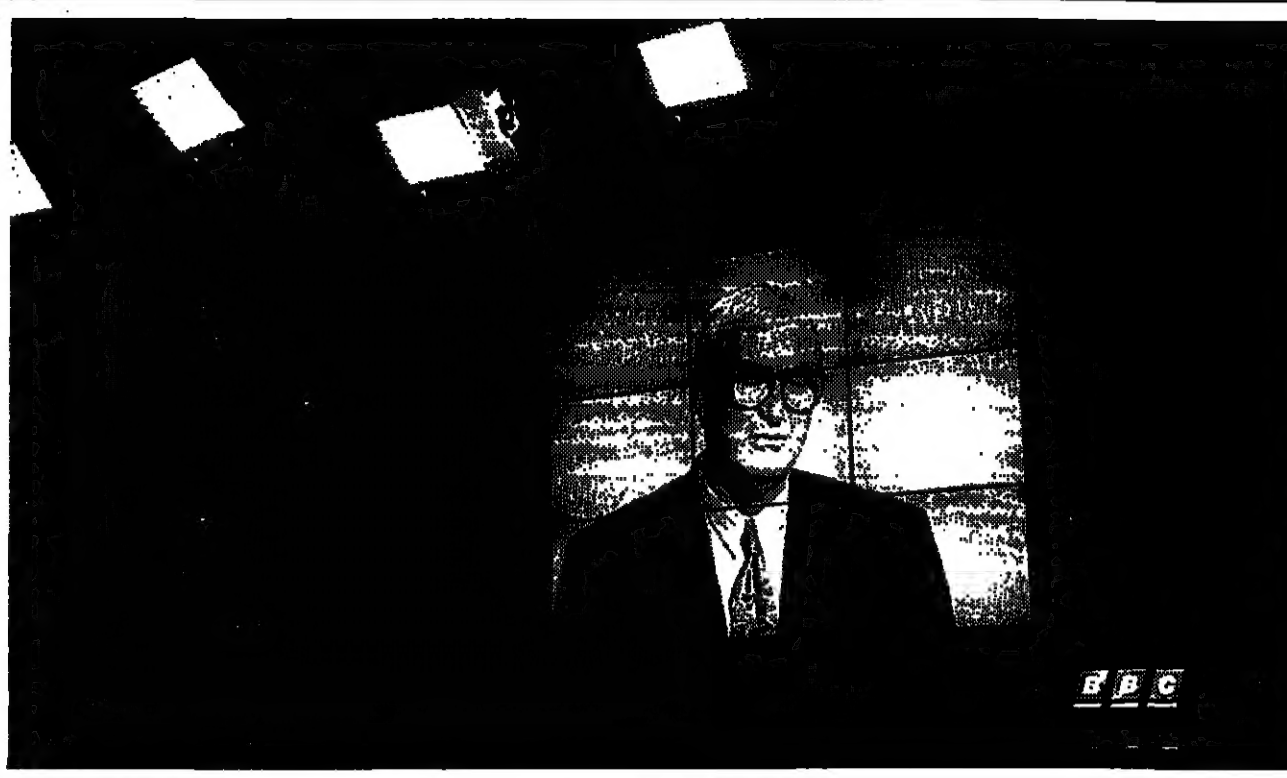
John Birt to join salaried staff at BBC

MR JOHN Birt, director general of the BBC, yesterday decided he would become a salaried employee of the Corporation for the first time since joining as deputy director-general.

Mr Birt's change of status follows revelations that for six years he had been paid through a private company - John Birt Productions.

Until now Mr Birt had been paid gross to this company. It is not clear if he will be compensated for not being paid this way in future and is likely to have to pay more tax.

Mr Birt (pictured right) said yesterday: "I have today told the BBC I would like to accept their offer to change my status and to become a member of the BBC's staff."



Editorial Comment, Page 15

Parliament costs taxpayers £200m Wasting away in management

PARLIAMENT is to cost the taxpayer more than £200m for the first time next year, according to Treasury figures, writes Alison Smith.

Revised figures, to be published next week, will show that the total cost of the House of Commons and the House of Lords is £198m for 1992-93, and is estimated to be £210m in the financial year beginning next month. This figure is based on cutting the salary bill by £3m.

At a time when the government is cracking down on public spending in every department, the parliamentary budget is one area over which ministers have little control.

Treasury officials say the sharp increase in the Commons budget for fees and salaries from £58m last year to £72m this year, comes partly from MPs' decision last summer to reject government advice and vote themselves a

rise which took the office costs allowance for each of them to almost £40,000 - more than their annual salary.

Spending on the Lords, including allowances for the 400 or so peers who regularly attend, is planned to rise from £26m this year to £41m next year, while spending on Commons administration is set to rise from £90m to £100m.

Exact comparisons with previous years are difficult,

because until recently costs such as printing or building work were concealed in other departments' budgets.

Since parliament sits for longer each year than many other legislatures, in terms of value for money, taxpayers may feel they are doing well - perhaps until they consider that for the umpteenth week, the line-by-line debate on the Maastricht bill is dominating the Westminster agenda.

BRITAIN'S managers can look forward to at least one working day each week being an utter waste of time, writes Diane Summers.

To compensate for all the time-wasting, at least one in three managers will have to work more than 50 hours over the week - equivalent to a whole extra unpaid day on top of their contracted hours.

The findings, which come from an Industrial Society sur-

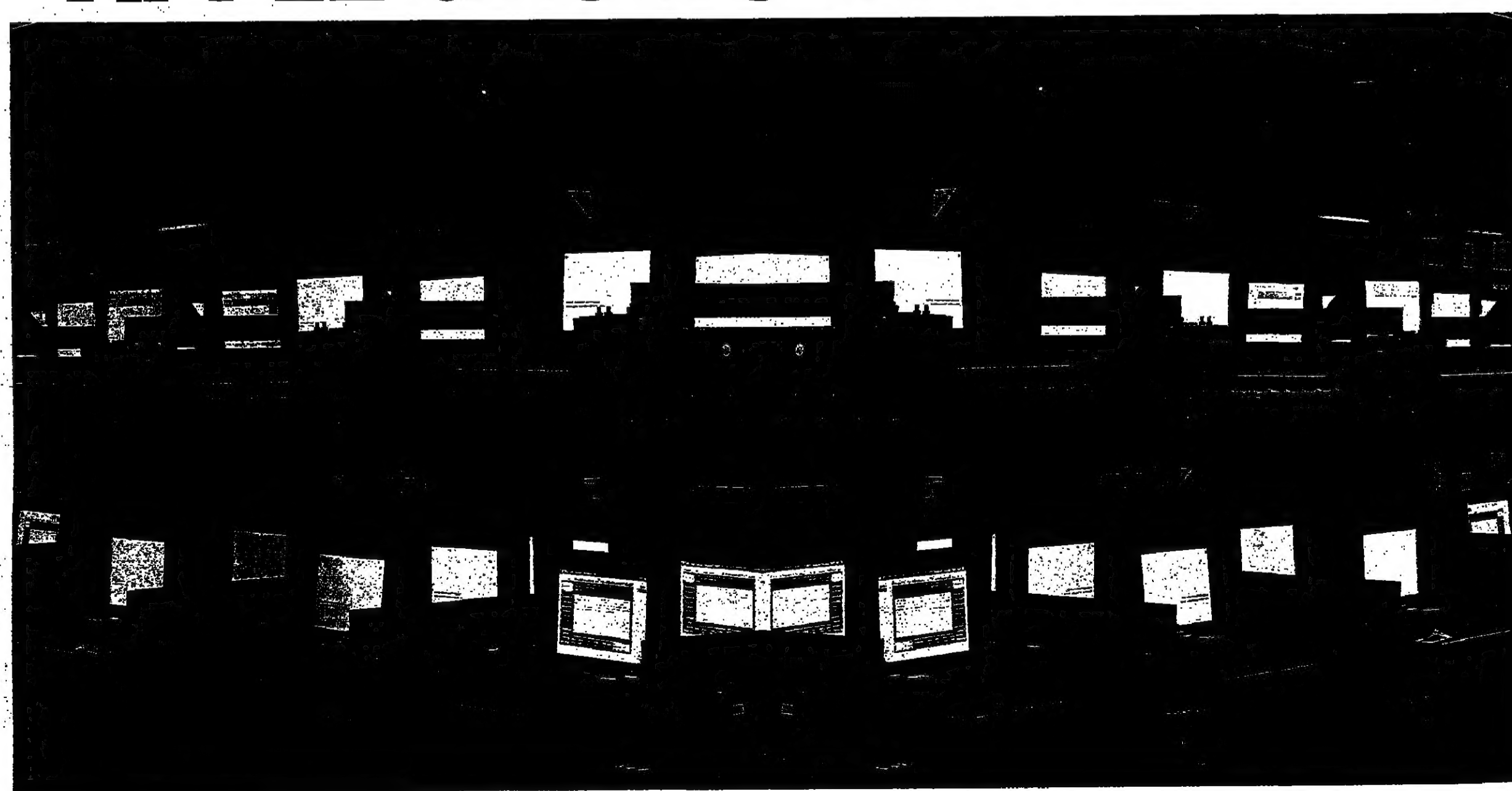
vey of managers at all levels, rank as the chief time-wasters: telephone interruptions, people dropping by and the failure of machines such as computers and photocopiers.

Two egalitarian trends - the open-plan office and the move away from personal secretaries - appear to be making matters worse. Open-plan offices lend themselves to interruptions, according to the Industrial Society. Managers

should dispense with inviting chairs next to their desks and ask themselves: "Do I have a reputation for being quite happy about being interrupted? Is this the reputation I want?"

More than half of managers have to share secretaries and a fifth do their own administration, the survey found. The result is that up to one-third of a manager's working week is spent on paperwork.

APPLE GROWS ON TANDEM.



When you're building the world's most respected personal computers, you don't have time to waste. That's why Apple has relied on Tandem online systems since 1986 to speed its Macintosh® product line from the shop floor to the sales floor. In fact,

Tandem online systems support Apple's manufacturing excellence from Singapore to Ireland to the USA. And, by integrating Tandem's online materials planning, shop floor control and EDI solutions, Apple is ensuring unmatched product quality and

maximising production throughput to meet the growing demand for its PowerBook™ computers. To learn how we're doing it for Apple, call +44 71 3795356. And discover what Tandem can do for your company.



Shouldn't you be computing like this?

Tandem and the Tandem logo are trademarks of Tandem Computers Incorporated. Apple and Macintosh are registered trademarks and PowerBook is a trademark of Apple Computer, Inc. ©1993 Tandem Computers Incorporated. All rights reserved.

NEWS: UK

UK tightens rules on 'dual-use' Iran exports

By Jimmy Burns and Gillian Tett

BRITAIN is tightening up its controls of defence related equipment and so-called 'dual-use' technology to Iran, Mr Douglas Hurd, foreign secretary announced yesterday.

Under new guidelines, the Department of Trade and Industry will not approve licences for items on international lists of banned military or atomic energy equipment.

Licences will also be refused to those attempting to export any equipment "where there was knowledge or reason to suspect that it would go to a military end-user or be used for military purposes."

There will be two exceptions to the new guidelines which were announced in a written answer to a parliamentary question at Westminster yesterday. The exceptions are goods judged essential for the safety of civil aircraft, and radioactive material for medical use.

The previous guidelines were announced in 1986 and applied to equipment which the government thought "significantly enhanced the capability" of Iran and Iraq following the outbreak of their territorial conflict.

In recent months Iranian groups have approached UK exporters for military parts to replace equipment lost or damaged over the last ten years, and some western officials have expressed fears of a renewed military build-up.

Last month UK customs officers interviewed a number of UK businessmen after seizing about 12,000 counterfeit engine parts for US-made Iranian jet fighters.

A Foreign Office official said that the death threat against the author Salman Rushdie remained a "factor in our bilateral relations", although the issue was not directly related to the announcement. Instead the new guidelines follow a year in which the UK government has faced criticism over the way departments allegedly got round the government's own guidelines on exports both to Iran and Iraq.

Central bank governor issues interest rate warning

By Peter Norman, Economics Editor

MR ROBIN Leigh-Pemberton, governor of the Bank of England, last night warned that Britain would raise interest rates if it felt that a falling pound imperilled its goal of low inflation.

Speaking in Bristol, Mr Leigh-Pemberton insisted the Bank was "in no way indifferent" to the behaviour of the exchange rate and stressed

that the UK had "most certainly not been seeking a competitive advantage" for its exports through sterling's depreciation.

Mr Leigh-Pemberton, who is to retire in June, said the "substantial fall" in sterling's value since its departure from the European exchange rate mechanism in September "was not a deliberate object of policy".

Although sterling rose strongly on currency markets yesterday, its value measured

on the Bank's trade weighted exchange rate index last night was 15.2 per cent lower than before leaving the ERM.

The governor warned that success in pursuit of the government's target of keeping underlying inflation within a 1 to 4 per cent band "could be impaired if the exchange rate were to fall too far".

Giving a warning of higher interest rates should sterling slide further, he said: "We will need to monitor very carefully

the impact of the exchange rate on inflation and to respond with tighter monetary policies if we believe the inflation target to be threatened".

As money markets throughout Europe yesterday began looking forward to an easing of German monetary policy, Mr Leigh-Pemberton made clear that Britain would not follow any cut in interest rates in continental Europe.

"In such circumstances there would be no question of the

UK seeking to hold the exchange rate down to maintain competitive advantage", he said. "Indeed, the appreciation of the [sterling] exchange rate which would result from easier policies elsewhere would greatly assist the achievement of the government's target for reducing inflation."

The governor's remarks came after provisional Bank figures for M0, the narrow measure of money supply, pointed to a continuing upturn

of British retail sales last month. The sharp seasonally-adjusted 4.8 per cent year-on-year increase of M0 in February was well above the government's 0 to 4 per cent range.

Although the annual growth rate has risen sharply from 4.1 per cent in January and exceeds the Treasury's target range, officials indicated it was unlikely to prompt tightening of the government's monetary policy.

Other indicators are showing

different trends. Growth of the broad money measure M4 - M0 plus bank and building society deposits - is currently below the floor of its 4-8 per cent monitoring range while inflation indices continue to point to significant disinflationary pressures in the economy.

Economists yesterday said recent reductions in base rates to 6 per cent meant that there was less incentive for people to hold their money in savings accounts.

Britain in brief



Names start legal action at Lloyd's

More than 2,000 Lloyd's Names are to issue writs against their agents today, kicking off one of the largest actions in English legal history, in terms of the number of plaintiffs and defendants.

A total of 2,145 Names - individuals whose assets support the Lloyd's market - are seeking to recover £396m in insurance losses. The Names were members of Gooda Walker syndicates 164, 290, 298 and 299, which specialised in "spiral" reinsurance, in which syndicates and London market companies reinsure each other's exposure to high level catastrophe loss.

Advised by Wilde Sapte, they are suing 67 members' agents, who placed them on the syndicates. Mr Michael Deeny, chairman of the Gooda Walker Action Group, which is organising the action, said the average loss of each Name is £184,877.

Hopes rise for Daf plant

A ray of hope has appeared for the 1,346 workers at the threatened Leyland Daf trucks plant in Lancashire, following the

conclusion of an agreement in principle for Leyland to resume truck supplies to Daf Trucks NV, the new Dutch truck company created on Friday.

The agreement was reached after a week of talks in Kindroven. As a result, and provided that a detailed agreement is reached, the Leyland plant could soon step up production substantially. Currently, it is making around 50 trucks a week to fulfil outstanding orders.

Scottish HQ for drug group

VEG International, a US drug research company, announced that it would locate its £2.25m European headquarters at Livingston, near Edinburgh.

The company intends to set up a management and data centre and clinics carrying out contract research. The first phase would involve a short stay clinic at St John's Hospital in Livingston, employing 58 people on drug test procedures. A management and data centre would employ a further 226 managing clinics elsewhere in Europe.

Fast pace for sell-off plan

The government has indicated that it wants to press ahead as quickly as possible with the privatisation of London's Docklands Light Railway.

It has given the management consultancy arm of Ernst & Young, the accountancy firm, just four weeks to draw up a list of options for putting the railway into private hands.

Ernst & Young's brief is to consult on as wide a basis as possible with those having interests or expertise in privately-owned transport systems, including potential investors, and to report by March 26.

Bank bonus plan attacked

Royal Bank of Scotland has been criticised by the Labour Party for introducing an incentive scheme which offers bonuses of up to £60 a quarter to employees who increase the number of account charges levied on customers.

Mr Nigel Griffiths, Labour's consumer spokesman, said the Performance Plus scheme was "the last straw for many small businesses". He said it undermined banks' claims to treat customers sensitively, and on an individual basis.

The Royal Bank scheme, introduced on a trial basis from February to April, sets a target for each branch to raise its collection of ancillary charges such as those levied for returning "bounced" personal and business cheques.

Fears raised on unfair dismissal

Employers are increasingly seeking staff just before they qualify for protection against unfair dismissal, according to the National Association of Citizens Advice Bureaux.

The association pointed to "growing exploitation" of employees during the recession reflected in an increasing number of complaints to CABs on employment issues. Complaints of this type represent

the third largest category of enquiries dealt with by the service after consumer debt and social security.

Funeral of abducted boy

The funeral of two-year-old James Balger, who disappeared while shopping with his mother in Bootle, Merseyside and whose body was found 15 days ago on a railway line, took place in nearby Kirkby yesterday. Two 10-year-old boys have been accused of abducting and murdering James and attempting to abduct another two-year-old boy.

Ford cuts price margins

Ford has cut its dealers' official profit margin, usually between 16 per cent and 17 per cent, to 10 per cent on the new Mondeo family cars, which are due to go on sale on March 25. The move helps Ford to claim Mondeo's retail prices will be up to several hundred pounds lower than those of equivalent Sierra models which the Mondeo succeeds.

Bid to refloat oil tanker

Salvage experts were last night attempting to refloat the Freja Svea, a Danish-owned oil tanker grounded off Cleveland, as gale-force storms swept across north-east England. An RAF helicopter landed four salvagemen on deck yesterday in spite of 40ft waves.

Andrew Jack examines Sir Brian Unwin's record

Customs chief cuts away the excess baggage

SIR BRIAN Unwin has just four weeks to switch between two of the most significant public service jobs in the EC: from head of HM Customs and Excise during implementation of the single European market, to head of the European Investment Bank.

He seems fully prepared for the transition. "What I do now have is this extraordinary privilege," he says. "Having broken down the borders I now have a chance to go inside them and help make it all work."

Sir Brian, who was at Customs for four years, argues that his greatest challenge was removing the borders for traders in the single European market; and motivating his staff to embrace the reforms.

His team had to work with 1,600 staff from frontiers offices, replacing them with a system based on greater intelligence-gathering and targeting of smugglers.

"There is tremendous tradition and loyalty in Customs," he says. "That is a strength, but can also be a weakness. It made it more difficult to move staff away from the baggage benches and convince them they can still catch baddees without deploying everyone at the frontiers."

"For centuries they were

there with their cutlasses stopping things coming in."

One of his biggest battles was to persuade people in Customs that the removal of border controls would take place. "It posed a threat to people's jobs, and their way of working. There was a tendency four years' ago to just wish it away."

He told concerned staff: "It is extraordinarily difficult, but we have got to face up to it. Unless we plan now, we won't have any control and we will be faced with an imposed solution which will be less in your and the UK's interests."

In general, Unwin is pleased with the results on the single market initiative. "We have delivered what the government wanted by removing the borders without threatening our security."

He believes the UK played an important role in changing the shape of the single European market, blocking mandatory harmonisation of value added tax and keeping paperwork requirements to a minimum.

Sir Brian says Customs was used as a model for the government's executive agency reforms; now being mirrored by the Inland Revenue. But he sees an important continuing



Sir Brian: "We delivered what the government wanted"

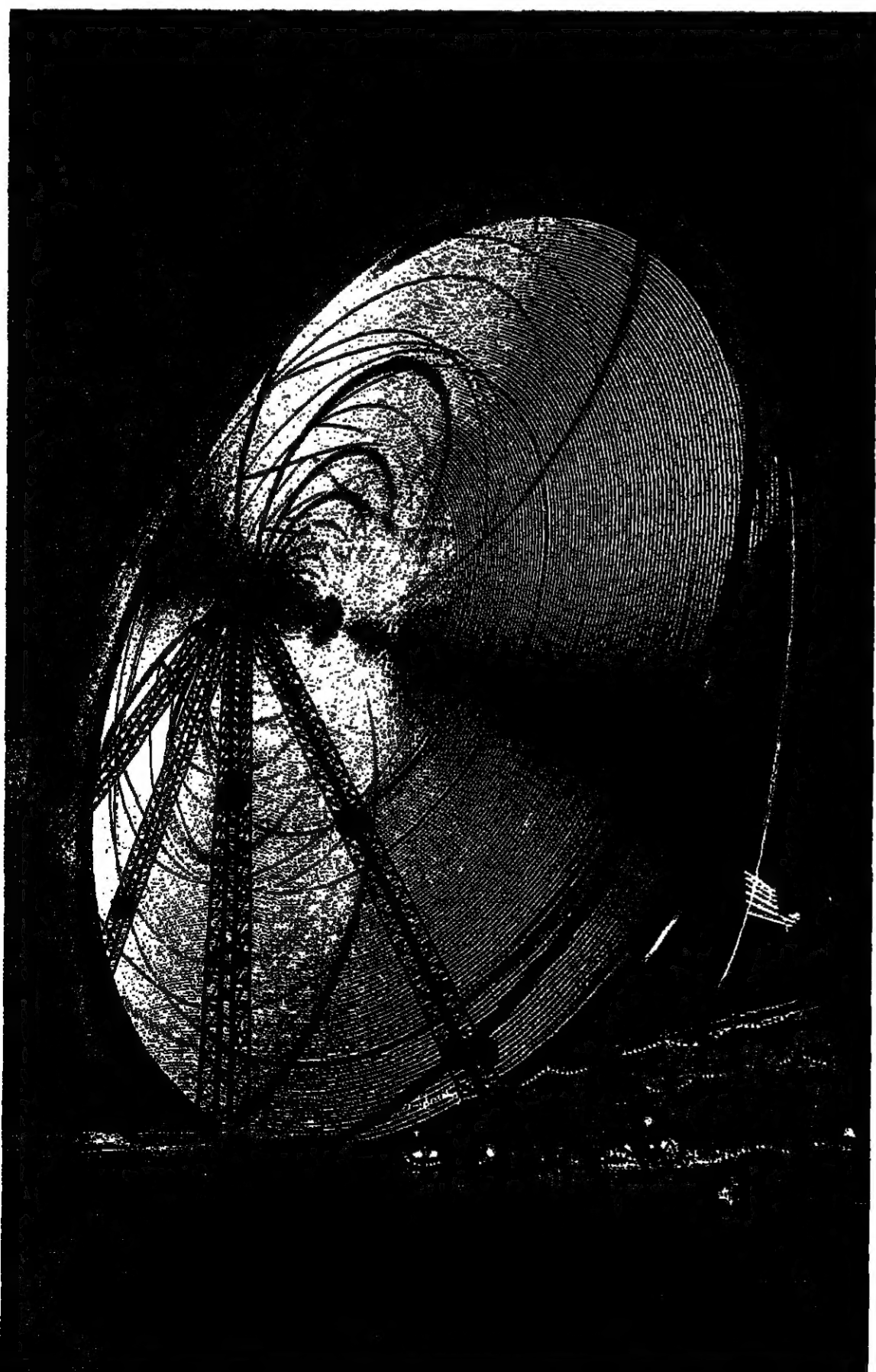
role for central control.

He also believes he has made considerable progress in changing the way Customs operates. When he started, it was a very hierarchical organisation. He lays particular emphasis on promoting equal opportunities - especially the promotion of women, such as Ms Valerie Strachan, whom he appointed as his deputy and who takes over his post from today.

"After working in the Treasury and the Cabinet Office, Customs seemed very male dominated to me. It still is, but things are starting to change."

Looking forward he says his main challenge at the EIB, the world's biggest international lender, will be to consolidate the institution and reflect the new impetus it received at the Edinburgh summit.

"We are under tremendous pressure to increase the volume of lending," he says. "But we must also maintain rigorous criteria to sustain quality."



Can you meet peak loads in Germany with electricity from a Swedish waterfall?

In Sweden power cascades freely down the mountains, while Germany's power potential lies in the ground as fossil fuel. ABB linked these resources by laying a single submarine cable beneath the Baltic Sea.

Now Sweden's abundant hydropower feeds the German electricity grid, and the two countries can exchange electricity to offset peak loads at different times. ABB pioneered the transmission of High Voltage Direct Current (HVDC), which can shift huge amounts of power, reducing electrical transmission losses by 1/3, across vast distances. HVDC is the key which can unlock the massive environmental benefits of renewable, non-polluting hydropower to replace dwindling fossil fuel resources.

As a leader in electrical engineering for power generation, transmission and distribution, in industry and transportation, ABB is committed to industrial and ecological efficiency worldwide. We transfer know-how across borders with ease. But in each country, ABB local operations are decentralized and flexible. That means we are close at hand to help our customers respond swiftly and surely to technological challenges which stretch the limits of the possible.

ABB Asea Brown Boveri Ltd., Reader Services Center, P.O. Box 822, CH-8021 Zurich

ABB

هكذا من القليل

Andrew Baxter takes a look at the latest innovations from white goods manufacturers

Tempted by green gadgetry

Inside one of Zanussi's new dishwashers is a multiple detergent dispenser - pour in the fluid and there's enough for a month before it needs refilling. It is a simple idea, if less easy to put into practice, says Fulvio Caccio of Electrolux, which owns the newly relaunched Zanussi brand. Making the electrical parts humidity-proof was the main problem.

Zanussi and its rival white goods producers were displaying dozens of similar innovations at last month's Domotex '93 appliances show in Cologne. The dominant theme of Domotex '93 was the environment - from the reduction and phasing out of CFCs in fridges to reducing water consumption of washing machines and dishwashers. But functional innovation was an important accompaniment and the technological challenge for the white goods industry is twofold: to produce worthwhile new features and better environmental performance.

A combination of both might just tempt consumers to trade in their old machines before the end of their useful lives - crucial in mature western markets. The Zanussi dishwasher, for example, has an alternate top and bottom spray system to save water.

One way to tempt customers is to act on a good idea before the opposition. But intelligent use of electronics is also vital for innovation and enhancing environmental performance without confusing the customer. However, this is where problems can arise.

According to a 1991 report by market research company Frost & Sullivan on Europe's white goods industry, 2 per cent of all semiconductor chips are used in domestic appliances, and this share is rising.

"Microchips have made possible far more sophisticated switching, control and timing devices," says the report.

"However, many suspect these new bells and whistles, knobs and knickers are only a manifestation of unnecessary gadgetry... many doubt whether the typical consumer really wants such frills and actually uses them."

A few, at least, of the most recent functional innovations are not

driven by electronics. Electrolux, for example, has introduced a new, low-frost system for chest freezers which cuts out 80 per cent of ice build-up.

Freezers warm up and cool down as the compressor switches off and on, but here the dry air normally expelled in the warm-up phase is held in a flexible cavity connected to the inside by a small pipe. When the freezer cools down, dry air is recycled into the freezer rather than humid air which deposits its moisture as ice on the freezer walls.

Another simple idea was launched by Whirlpool for its dishwashers - a "long door" which is counterbalanced to stay open in any position.

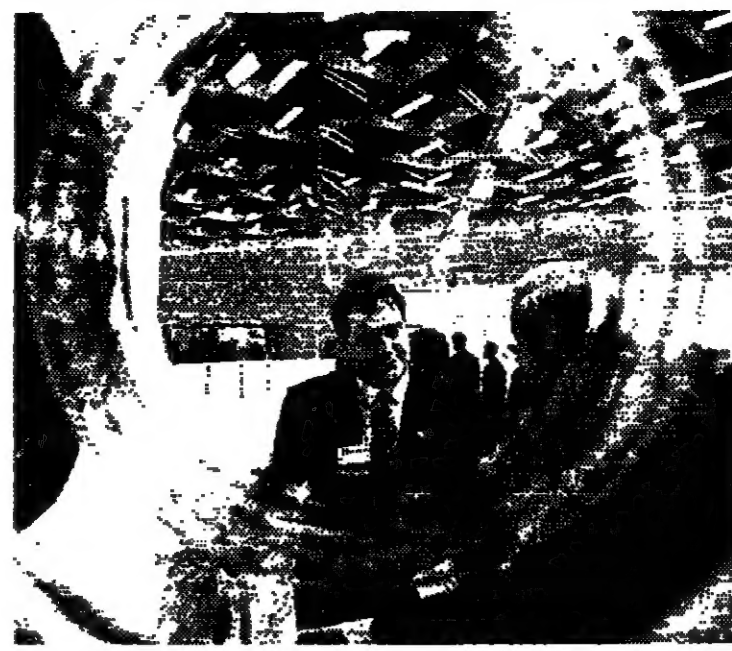
Most innovations, however, depend substantially on electronics. One of the big issues at Domotex '93 was the extent to which western producers would introduce products

with "fuzzy logic" - where a central microchip receives signals from several sensors in the machine and then sends out fresh instructions accordingly.

The answer is that western producers are taking a much more selective approach to fuzzy logic than their Japanese counterparts, which market the concept heavily.

"In fridges and laundry products, I see us moving towards fuzzy logic in this decade," says Ronald Kerber, Whirlpool's chief technology officer. "Not because there is any desire by consumers to have it, but because of its role in controlling the performance of the machine."

AEG launched a washing machine with fuzzy logic that is due to go on sale in Germany later this spring. The big German producer also emphasises about the "massive potential" of fuzzy logic for appliance efficiency. The sensor system



Inside out: tomorrow's washing machines depend on electronic innovations

means, for example, that the machine can ensure exactly the right amount of water is used, making the half-load button redundant.

Whirlpool, meanwhile, launched its first fuzzy-logic product, a new "Sixth Sense" microwave for its top-selling VIP range. This eliminates the guesswork from two common

but boring tasks - reheating or defrosting food.

The user presses a single button to reheat or defrost and the oven works out the type and weight of the food, then calculates the correct time and power output. The cooking is left to be done manually.

The approach to "interactive" or intelligent cooking is also cautious, although some manufacturers believe the effort is worthwhile for top-range machines. Fagor, the biggest Spanish producer, unveiled its Todo Plus oven which combines traditional heat, circular heat and microwaves and links them to a small screen in the control panel. This can show how to prepare more than 125 recipes, work out quantities and choose the best cooking sequence.

AEG unveiled another important new feature, so-called Bio phase programming for dishwashers and washing machines. This is geared to the latest ultra-compact detergents for both types of machines, which include enzymes that work best at low temperatures.

In AEG's new washing machine, the water is held at 40°C for 20 minutes to allow the enzymes to work effectively, before it is heated to the set temperature for the rest of the wash.

As for genuinely new products, one to watch - especially for microwave producers - was the Jet-Stream Oven from Minnesota-based American Harvest. This uses cyclonic cooking, a patented technology that heats air to 204°C and moves it around the food at 2,200 feet per minute. The result, says the producer, is oven-quality food at microwave speeds.

AB

Steamed up over irons



After the reunification of Germany, eastern households have very quickly switched from their heavy, sometimes unsafe irons to new, lighter western versions with more features.

Further south, Italian housewives might find themselves ironing 10 shirts a day. Anything that makes the chore easier, quicker and produces a better result will lighten their load.

Sales of irons in Europe are rising in real terms even though volumes are flat or down slightly, a sure sign of a market demand for more sophisticated products.

But, as often happens in the appliance industry, the approach to innovation falls somewhere

between that of Japan and the US. Japanese iron manufacturers are using electronics to give users information considered of doubtful benefit in Europe - such as soleplate temperature. In the US, by contrast, the market is driven by price - what European producers scathingly call the "\$9.99 syndrome". European irons are using electronics more as a means than as an end - to control product functions and improve safety.

But national markets still vary. Italy is the most innovative, says Leon Ramselaar, ironing product manager at Philips. In the UK, says Ian Mackay, Tefal UK's marketing manager, consumers do not want too many buttons to press - believing there could be more to go wrong.

Tefal, its sister company Rowenta, and Philips dominate the European iron market. When it comes to innovation, it is a "tip and tuck affair". Occasionally, a company will come up with a feature that is enough in itself to persuade consumers to buy, such as Tefal's replaceable anti-scale cassette introduced in 1990.

Scale build-up can leave stains on clothes and the Tefal cassette system converts the calcium carbonate that causes scale to sodium carbonate as the water passes through it. Philips has now responded with a permanent anti-scale system.

Other ideas might contribute to a purchase decision. Philips has just introduced a drip-stop system for steam ironing on its top-of-the-range irons. The idea, says Ramselaar, is to prevent the incomplete evaporation of water which can cause drops to slip through and stain silks.

One important development is the "ironing system". Borrowed from commercial ironing, this links the iron by tube to a steam-producing unit which acts like a pressure cooker. The result is a lighter iron and more steam.

Producers are cagey about future plans, but Tefal and Philips are working on "quantum leaps" in technology. One possibility is to use ceramic hob technology to produce a new type of soleplate, ending the need for an element.

Searching for the perfect rice cooker

By Michiyo Nakamoto

The recession in Japan may have dampened consumers' appetite for electronic goods, but a quick glance in any electrical retail shop in Tokyo shows it certainly has not killed their taste for high technology.

The decline in consumer spending in Japan has led manufacturers to review their product strategies and adjust their marketing and distribution plans to the new environment. Product ranges and cycles have been reduced. Some retailers report that certain manufacturers have clamped down on discounts and rebates for poorly selling products.

However, one thing that has not been affected is the rising level of sophisticated technology that manufacturers feel compelled to incorporate in their products.

Take rice cookers, for example. There is no denying that the Japanese take their rice seriously. But when facing a row of rice cookers, each proudly proclaiming the use of microcomputers, induction heating or fuzzy logic, it is difficult not to feel that things have gone a bit too far.

The key to cooking good rice is a strong initial burst of heat. Conventional rice cookers, in which a coil at the bottom of the rice cooker heats the inner pot, do not provide sufficiently strong heat. But a new range of rice cookers has appeared on the market using a method known as induction heating. Friction between a magnetic coil at the bottom of the cooker and the pot that contains the rice creates the heat which is transferred through the pot. The heat is stronger than in conventional cookers and spreads around the pot to cook the rice evenly.

Induction heating is a method long used in industrial furnaces. With the use of more semiconductors, rice cookers can also obey instructions to cook the rice normally, or slightly drier or wetter than normal. Because the new rice cookers do not just turn on and off, but can make subtle adjustments depending on the circumstances, they are described as being "neuro-fuzzy".

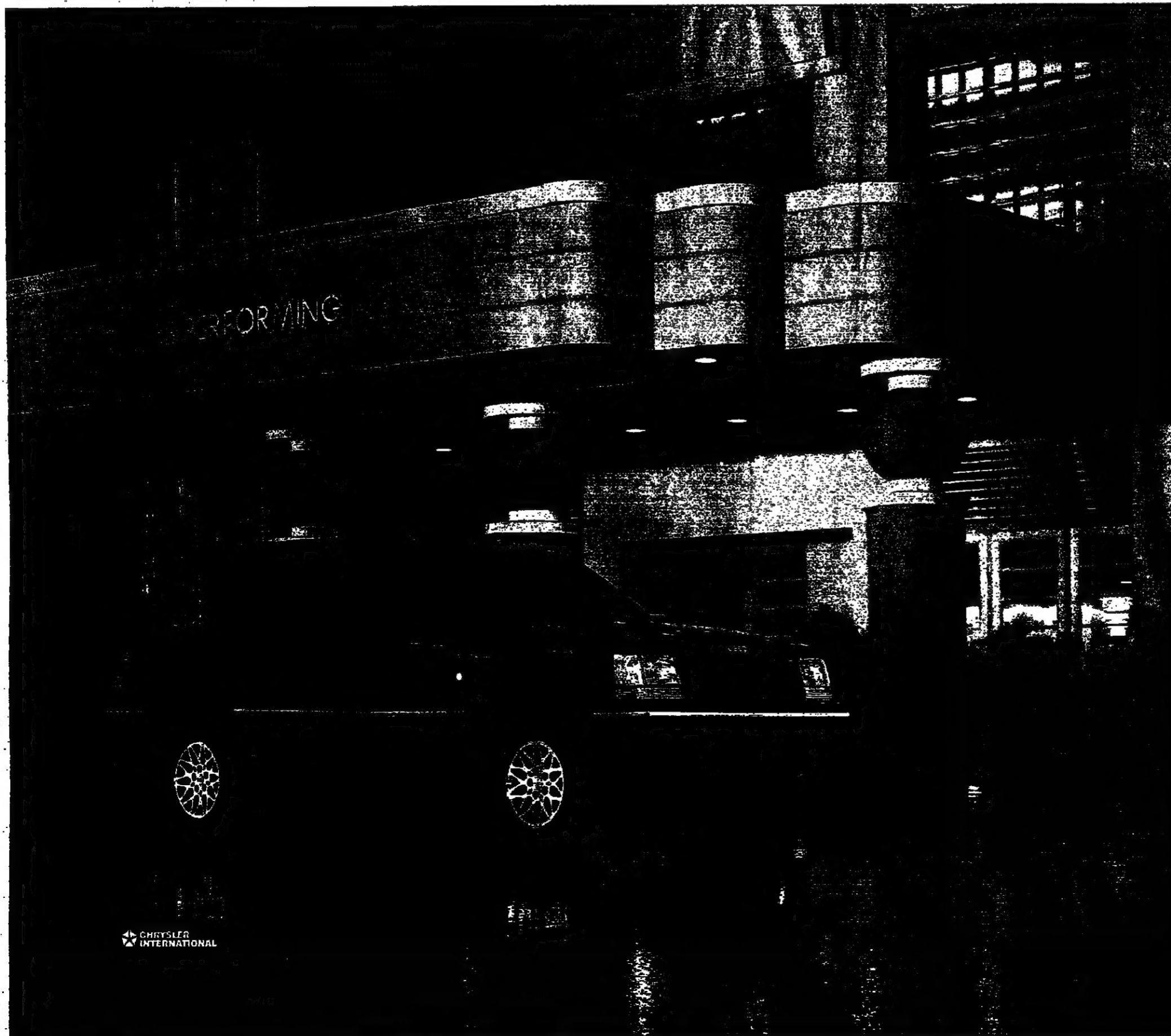
From toasters to washing machines, manufacturers are testing the computer programming skills of housewives with the use of microcomputers and liquid crystal display panels that show any number of programmes which need to be set up to get the machines to work. Manufacturers claim Japanese consumers are becoming increasingly sophisticated and they are only trying to meet the demands of consumers for better-performing household appliances. But it is more likely that the excess of high technology in recent electronic products stems above all from manufacturers' demand to stimulate consumer demand and their desire to earn a higher profit from new products.

They are also clearly desperate to offer an incentive for domestic consumers to replace their old equipment. According to the Economic Planning Agency, the penetration rate of washing machines in Japanese households is 99.4 per cent, while that of refrigerators is 98.9 per cent.

In a country where penetration of electrical goods is as high as this, it is not surprising that stimulating extra demand will take more than a few extra buttons. However, added features also provide a convenient excuse to raise prices. The latest rice cookers, for example, are about twice as expensive as conventional ones.

As the difficulty consumers experience in programming video tape recorders has shown, too much high technology runs the risk of turning away potential buyers. Some manufacturers now recognise the need for easier-to-use electronic equipment and have started to introduce much simplified products such as VCRs.

Whether or not Japanese consumers are happy with all the high technology in their homes, it will be some time before they start to express their exasperation. Meanwhile manufacturers possess a powerful trump card. Since the production of old models is usually discontinued after some time, Japanese consumers are left with little chance to vote with their purses by keeping them closed.



Jeep Grand Cherokee



The Miami Theater of the Performing Arts, Miami, Florida

Sophisticated entertainment, superb performances, and a top-class presentation. You'll find all of this and more at the Miami Theater of the Performing Arts and also in the new Jeep Grand Cherokee Limited.

The sophistication of its exclusive Quadra-Coil suspension gives Grand Cherokee Limited a smooth, sedanlike ride. A luxurious leather interior betrays its sport utility heritage. And an optional 1984cc V6 engine provides powerful, moving performance daily.

Whether it's grand opera in Miami or the back roads of Missouri, Jeep Grand Cherokee Limited opens the call for (puts on a show for) a new legend.

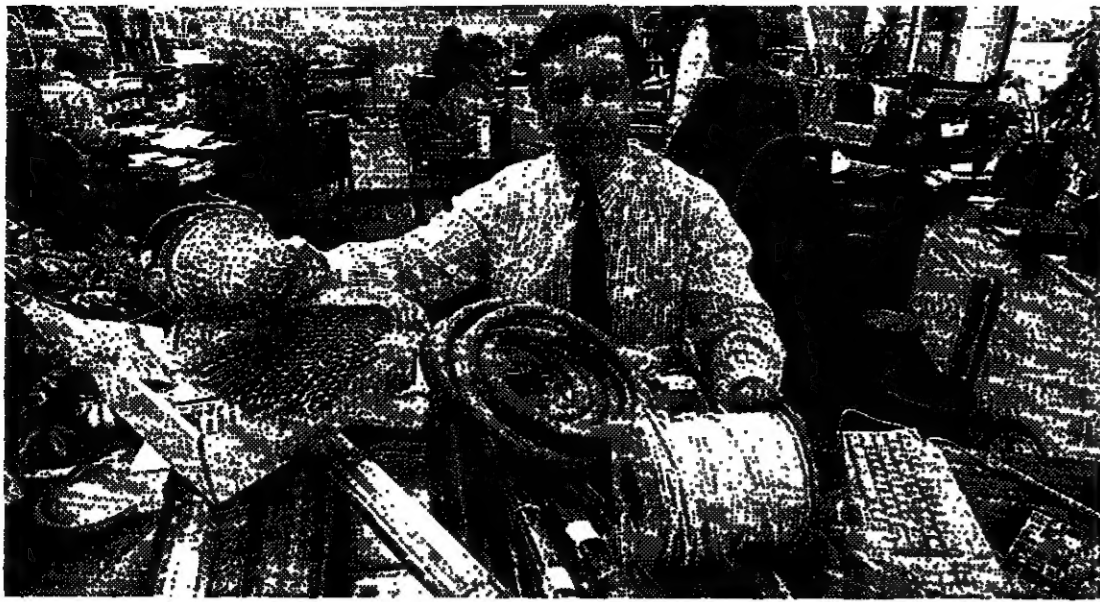
Jeep The American Legend

CHRYSLER INTERNATIONAL

MANAGEMENT: THE GROWING BUSINESS

Charles Batchelor asks whether trade missions are of any value to smaller companies

The merchants' adventure



Nigel Bateman: 'Spending a lot of time on your own can sap your enthusiasm. The companionship of a mission is a big plus'

John Major's recent return from Saudi Arabia with an order from King Fahd for 48 Tornado aircraft in his briefcase focused attention on that cornerstone of exporting: the trade mission. The prime minister was so inspired by the experience that he enthused on his return about Britain's need for "merchant ventures, not merchants of gloom".

But are trade missions of any relevance to the smaller business or are the merchant ventures only to be found in larger companies? The deals which are trumpeted are usually multi-million pound construction, engineering or defence projects.

Nigel Grainger, founder of Offspring International, a two-year-old, Dordrecht-based export agency supplying products and services for the offshore, petrochemical and power-generation industries, is proof that the small business can make use of trade missions.

Grainger, who has one other full-time employee, one part-time and a projected turnover this year of £300,000-£350,000, spent eight days in Yemen in December with a mission arranged by the London Chamber of Commerce. He says he made useful initial contacts though he did not expect people to place orders.

The Yemen trip was not without incident. Ridding himself of the rising cost of living prevented a lunch appointment in Sana'a with a visiting British minister, says Tracey Dorrell, manager of the mission. A cancelled airline flight led to a six and a half-hour drive through the mountains from Aden in taxis which would probably not have passed a conventional test of roadworthiness.

It is difficulties like these which prove the value of trade missions, says John Dorrell, head of international services at the London Chamber. "Missions to countries which involve some discomfort or uncertainty tend to be oversubscribed," he says. "People want the support of the group and the backing of the local embassy. If there are unlikely to be problems, who needs a trade mission? There are none to European Community countries."

Missions are normally organised by either a chamber of commerce or a trade association and typically consist of between 10 and 30 members. The Department of Trade and Industry subsidises most missions but recently modified its policy to make the programme more cost-effective. It raised travel grants by between 5 and 25 per cent but placed a limit on the number of missions a business could join. There is an overall limit of 10 with a maximum of three to any single country except Japan, where the maximum is five.

The past three years have seen a

fall in the number of DTI-funded missions but an increase in the number of businesses and women travelling. In 1990-91 1,725 participants went out on 133 missions. By 1992-93 there were just 123 missions but 2,350 participants, the DTI calculates. To encourage small and medium-sized companies to join missions it normally requires 60 per cent of participants to be from businesses employing fewer than 500 people.

Although the organisers usually like to have a mix of participants from both large and small companies there are particular benefits for the smaller firm:

- The chore of booking flights, hotels and making local travel arrangements is removed.
- Advice on local market conditions and the practicalities of doing business is available from both the organisers and more experienced exporters. A briefing meeting is usually held before the mission leaves and on arrival in the foreign destination. The local embassy or high commission will produce lists of contacts though it normally makes a charge.

• A programme of receptions and visits is arranged. Participants are not obliged to take part in these events but they can provide valuable introductions. "Don't just treat the mission as the chance of a cheap trip," says Tracey Dorrell.

• Companionship. "There is no substitute for travelling with other people," says Nigel Bateman, sales manager of Euro-Tech (Export), a

'Investigate the market on your first trip. And don't expect to come away with armloads of orders'

Croydon-based exporter of electronic components with 15 employees and sales of between £2m-£3m. Bateman compares a recent visit to Saudi Arabia on a London chamber mission with an earlier three-week visit to the Gulf states. "Spending a lot of time on your own can sap your enthusiasm and means you are less effective. The companionship of a mission is a big plus."

• Support when things go wrong. The organisers or the local embassy can help with problems with visas or changes in travel arrangements. Women face particular difficulties in many countries in the Middle East. The three women on the Saudi mission were initially told they needed police approval to stay at one hotel, though this demand was subsequently dropped.

• Cost. Government subsidies do reduce the cost though some organisers think the sums involved are not significant enough to affect a decision to participate. The London chamber charged participants in its 10-day Saudi mission £1,269 with a £350 rebate from the DTI payable on return. The chamber advises participants to allow a further £50 a day for taxis, meals and incidentals.

But the prospect of a cheap trip should not be a significant factor, advises John Dorrell. Most important is whether the company's products or services are likely to find a market in the country being visited. Once this has been established the would-be exporter needs to check that he can repatriate the proceeds of any sales. Will he be able to

obtain insurance cover on the commercial and political risks of that particular destination?

The exporter also has to be prepared for the extra business which may be generated by the trip. Janet Crawford, managing director of London-based Angel International Recruitment, calculates she won £100,000 worth of business from her trip to Saudi Arabia. She says she was surprised by the volume of business she obtained and estimates it will take a year to turn the "orders" (for trained personnel) into cash.

Participants should not necessarily expect to sign up firm orders on their first visit. Making contacts and establishing confidence is a slow process and regular visits will probably be necessary. "Investigate the market on your first trip," advises Bateman. "Don't expect to come away with armloads of inquiries or orders. And don't be rushed into signing up exclusive agency deals."

A mission also requires careful preparation. Places must normally be booked three months in advance to be eligible for DTI subsidies and participants are advised to think about the trip well ahead of time. "Some people don't do their homework beforehand," says Peter Valpy, director of the British Knitting & Clothing Export Council, which has five missions planned.

"Prepare good promotional material in advance and send it to the embassy for distribution ahead of your visit," he says. A drawback of a trade mission is that it does require participants to keep to the general timetable. The London chamber's 10-day mission to Saudi Arabia involved three-day stops in Jeddah and Riyadh followed by a day of rest and then three days in the Eastern Province. Some participants may find they can generate most business in one location but have little to do in the others.

This problem can be overcome by extending the visit, an option which is permitted by the DTI rules. Jean Morgan-Bryant of Solvia, an equipment supplier to the oil and construction industries, extended her Saudi visit by three days before flying on to another destination. Nigel Grainger says he makes his first trip to a country with a mission but makes subsequent visits on his own so he can set his own itinerary.

Missions organised by trade associations are normally only open to members. Chamber of commerce missions are usually open to members and non-members and to businesses outside the geographical area covered by the chamber. Contact trade associations, chambers or the DTI's Overseas Missions section Tel. 071 276 2414. Fax: 071 222 4707.



Checking out your bank account

Ninety five per cent of business bank accounts contain errors, according to a survey of 152 accounts carried out by Bankcheck, a specialist consultancy.

It found that in 75 cases banks had overcharged their customers while in 70 they had undercharged. Only seven accounts were correct. The average amount overcharged was £1,412 a year while the undercharging amounted to £956. Bankcheck ascribed the high error rate to poor administrative systems.

Acquiring the book-keeping habit

Barclays Bank is offering a choice of three free book-keeping products to new business customers to get them into the habit of maintaining up-to-date financial records. Cashflow management difficulties are one of the most frequent problems businesses face, the bank said.

National Westminster Bank, meanwhile, is to start advising customers in advance of account charges from Friday, March 5. NatWest is the first of four large clearing banks to take this step.

Factoring volumes stagnate

Worldwide factoring volumes stagnated in 1992, according to Factors Chain International, an international network of factoring companies. The turnover of companies making use of factoring was \$264bn (£174.4bn), against \$265bn for 1991.

Factoring activity declined in Europe from \$165bn to \$151bn but increased in the Americas from \$73bn to \$75bn and in Asia from \$26bn to \$32bn. The Association of British Factors and Discounters, representing the large UK factors, said last month that business in the UK

increased 13 per cent to £16bn in 1992.

A chance to influence BSI policy

The British Standards Institution has set up a policy committee for small businesses following complaints from some small firms that its BS5750 quality management standard was too onerous. The committee is to look at this and other aspects of BSI's activities where a small firm's view is needed.

Chairman of the committee is Roger Dunn, founder and managing director of Arconrol, a manufacturer of electrical switchgear employing 70 people. The committee's first chance to influence BSI policy will come at a BSI board meeting in May.

Creating a network for investors

Private individuals invest many times more in small businesses than the formal venture capital sector in the UK. But efforts to create a similar investors network in the UK have had only very limited success. A new attempt to form such a network has come in the shape of The Capital Exchange, a members-only organisation which publishes CX Monthly, a newsletter to help investors find businesses seeking finance and businesses seeking joint venture partners. The organisers, a group of Hereford businessmen headed by Nigel Lacey, a former bank manager, plan to launch a scheme for syndicating private equity investments later this year. Contact The Capital Exchange, Wyvern Centre, Fern Court Road, Hereford HR1 1EG. Annual membership £80.

Cross-border barriers surveyed

The barriers to cross-border venture capital investments is the subject of a two-month survey initiated by the European Commission. The survey, by accountants KPMG Peat Marwick, will identify the type of information where difficult access may be an obstacle to cross-border syndications. Cross-border deals have not taken off as many venture capitalists expected and the EC is keen to increase activity following the creation of the single market.

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

FINANCE AVAILABLE
Private Investor has significant sums available as true venture capital for suitable business opportunities. Lots of size of £50K to £500K will be considered. Preference will be given to proposals from management teams with established proven track record, whether for existing companies (MBO, MBI, development capital) or start-up situation.

Principals only should reply, with detailed business plan which will be treated in strictest confidence, to:

P A Boor, H W Fisher & Company, Acre House,
11-15 William Road, London NW1 3ER

NEW INDUSTRIAL PRODUCTS SOUGHT
We are a privately owned Distributor of Industrial Products, selling over 10,000 O.E.M./Maintenance users, from all industry sectors in the U.K.
BSI 5750 pt II & ISO 9002 are held.
Same day distribution is via a national network of Branch Warehouses, supported by a 40,000 sq ft Central Distribution Centre, providing overnight service. Companies are now sought who wish to gain the most cost effective access to the U.K. industrial market. A closer relationship than the normal Principals/Distributor arrangement is offered.

Please reply to Box A3304, Financial Times,
One Southwark Bridge, London SE1 9HL

BUSINESS GROWTH
Your company can achieve additional growth in 1993 by adding proven products, processes and technologies sourced by strategic partnerships with successful companies in Japan, N.America and elsewhere.
We research high quality opportunities for companies and provide a full service including opportunity identification, market research and agreement negotiation. Many PLCs and companies have achieved success with our programme since 1979 and full details are available from:

Dr Derek A Newton, Director - SPA TECHNOLOGIES LTD
18 Arlington Avenue, Leamington Spa, Warwickshire, England, CV32 5UD
Tel: 0926 332228 Fax: 0926 335657

JOINT VENTURE - PROPERTY
We are seeking single level un-obstructed good condition premises of 40,000-200,000 sq. ft. with easy access to the M25 between junctions 12 and 23 for an income producing joint venture of a retail nature.
Interested principals only please forward property details for further information.
Write Box A4475, Financial Times, One Southwark Bridge, London SE1 9HL

Active international export-import Company based in Monte Carlo and operating in trading and financial sectors, seeks to broaden its activities by collaborating with Companies and groups involved in similar fields.
Write to Box A4862, Financial Times, One Southwark Bridge, London SE1 9HL

ESTABLISHED INDIAN PROFESSIONAL ENGINEERING CO. ACTIVE IN TURKEY PROJECTS IN POWER, OIL, GAS, STEEL, CHEMICAL & MUNICIPAL SECTORS EXPANDING INDIAN INDUSTRY SEEKS ASSOCIATION AT ALL LEVELS WITH LEADING SPECIALIST FIRMS IN SOI IN WASTE MANAGEMENT AIR/WATER POLLUTION CONTROL
Please write to Box A3308, Financial Times, One Southwark Bridge, London SE1 9HL

For Trust, Integrity & Absolute Confidentiality. To Major Businessmen.
Large parcels of merchandise (all classes) required to purchase - or to assist in other areas.
Communicate directly with Mr Joe Singer, J. Singer (Trade & Investment) Ltd, Tel: 061 766 3469, Fax: 061 796 2170

Industrial and Commercial products national distributor is willing to Invest Sales Skills on behalf of UK manufacturers with proven quality product lines.

Contact: John Caffery,
Lawson Limited,
Lawson House, Vauxhall
Road, Liverpool L69 3AU
Tel: 051 227 1212
Fax: 051 227 5900

AUTOMOTIVE PRODUCTS
We are interested in acquiring niche market automotive products or brands, or sales rights to same. Min. £50K.
Reply to Box A4860, Financial Times, One Southwark Bridge, London SE1 9HL

PRINTING COMPANY SEEKS MERGER
Profitable Hertfordshire based specialist litho sheet printing company with blue chip customer base seeks compatible company with a view to merger.
Principals need only apply to Box A4297, Financial Times, One Southwark Bridge, London SE1 9HL

£50,000 - £60,000
Project funders sought for major aerospace programme. Excellent rolling benefits in high risk/high yield account.
Tel: 0883 723091/081 660 7272
Fax: 0883 723091/081 683 3077

CHANNEL ISLANDS
Offshore Company Formation and Administration. Also Licenses. Payments & BVI cost Total offshore facilities and services.
For details and applications write to: Cay Trust Ltd, Belmont House, 24, Belvedere Road, St. John's, Tel: 0534 74774, Fax: 0534 34601, Telex 4102222 CONIRM C

TRADE FINANCE FOR IMPORTERS
We can release funds tied up by Letters of Credit and provide short term finance for your imports. Please fax outline requirements and proposal to: 081 642 0454. Telephone: 081 643 1151. Telex: 286559. SECTOR MANAGEMENT LTD. Export business opportunity: linked to career development prospects. General Manager, Marketing, Financial expertise. CV in box A4850 Group, 24 Red Lion Street, WC1R 4SA. Tel: 071 831 6191

FIRST CLASS OPPORTUNITY
Small, fully listed, tightly held plc is looking for a major/substantial injection of a successful and growing business. The group has gone through major surgery and is now lean and mean, with a good operational base and enormous potential.
The Directors are minded to conclude the transaction expeditiously.
Reply to: Ref. R.A.C. Griffiths & Lamb, 130 Newhall Street, Birmingham B3 1SP (Members of The London Stock Exchange and The Securities and Futures Authority)

MANAGEMENT CONSULTANCY MERGER OPPORTUNITY
Well established Management Consultancy is seeking to merge with a similar organisation in order to continue and strengthen the expansion of their operations.
Reply in confidence to Box A3306, Financial Times, One Southwark Bridge, London SE1 9HL

EQUITY INVESTMENT OPPORTUNITY
£4-£5M
Investor sought for new niche office operation to 1993/94, east, backed by major flag carrier. High potential return.
Write Box A3307, Financial Times, One Southwark Bridge, London SE1 9HL

HOTELS AND COMMERCIAL PROPERTIES BUY AND SELL WORLDWIDE
FURTHER INFORMATION
TEL: 071-637 3333 FAX: 071 255 2855

INTERNATIONAL PHOTO NEWS AGENCY AND STOCK LIBRARY
Seeking Investor (Active or Passive) To Finance Business and Expansion plans Contact: Heron Holdings Ltd 71 Heron Street, London E2 6AT Tel: 07705

NATIONAL DISTRIBUTION (TO CONVENIENCE STORES)
We currently supply and service 3000 UK convenience stores with impulse purchase products. Our sales, distribution and merchandising facilities could be available to fast launch your products or services in this fast growing market.
Please reply to Box A4296, Financial Times, One Southwark Bridge, London SE1 9HL

INVESTMENT OPPORTUNITY £50,000 wanted for expansion of early stage company with rapidly growing order book. Phone or Fax 0525 672584. COMPANY FINANCIAL, CROSBY & Financial Catalysts Tel: 0636 816210 Fax: 0636 816211. Don't leave it too late! Looking for business to back? Monthly report gives full overview & contact details. Tel: 0491 379999

BUSINESS WANTED INDUSTRIAL & DOMESTIC GAS APPLIANCES

Contract Installation & Maintenance

Our client, a sizeable UK division within a major international group, seeks companies which:

- install/maintain gas appliances under contract
- have established contracts
- work for British Gas as well as other customers
- have significant regional or national coverage
- have turnover between £0.5m and £20m and are profitable
- have a management team looking to continue

Vendors and their advisers should telephone either Marcus Moir or Barrie Pearson on 071-388 4242 in absolute confidence. Your identity will not be revealed to our client without your permission.

Livingstone Fisher plc
Acre House, 11-15 William Road, London NW1 3ER
LIVINGSTONE FISHER
The Acquisition & Disposal Specialists
A Member of FIMBRA

BUSINESS WANTED TURNAROUND SITUATIONS

Our client wishes to acquire an underperforming business for cash:

- with a turnover between £20 million and £50 million
- not necessarily trading profitably
- a non-core subsidiary or privately owned
- distributing or assembling products (not a manufacturer)
- or a service business (not high technology)
- to create a separate division

Please telephone either Anne Jordan or Marcus Moir on 071-388 4242 in absolute confidence. Your identity will only be revealed to our client with your express permission.

Livingstone Fisher plc
Acre House, 11-15 William Road, London NW1 3ER
LIVINGSTONE FISHER
The Acquisition & Disposal Specialists
A Member of FIMBRA

BUSINESSES WANTED SALES PROMOTION COMPANY
Established profitable company with blue chip client base seeks businesses in similar field - concept and design to merchandising support. Space, finance, management available for acquisition or merger.
Barling Finance Brokers & Consultants
The Commons, Linton Road, Kington, [Hitchin, Herts SG4 8HA]

DESIGN CONSULTANCY WANTED FOR ACQUISITION, MERGER

An established London-based design-communication group seeks to expand its existing business.

An acquisition or merger with another, similar company will bring benefits:

- Expansion of the client list
- more profit, with merged overheads
- costings controlled, permitting more competitive pricing
- agreeable working conditions and infrastructure.

Absolute confidentiality is assured and expected. Write, initially indicating response to this advertisement and outline of existing business to:

Henry Palfreyman Esq
Macrae Mason
St Clare House, 30-32 Minerva, London EC2N 1DU

VALVES
UK COMPANY is interested in acquiring VALVE COMPANIES (UK or Europe), or VALVE PRODUCT LINES in the following markets:
• OFFSHORE OIL AND GAS
• CRYOGENIC GAS
• WATER QUALITY AND FLOW
• CHEMICAL, UTILITIES, STEAM
• DEFENSE
Adventure CANDIDATES should have turnover from £500,000 to £15 million, product lines £200,000 minimum.
Address inquiries Attention: c/o Box A4394, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESSES WANTED

Expanding quoted company wishes to acquire manufacturer/distributor of non-food household products. Of particular interest are companies with branded products selling to multiples, grocery, hardware, chemist or haberdashery outlets with:
• Likely turnover £1m to £15m.
• Either total business purchase or branded product lines from larger companies.
• Substantial cash resources available.
Write to full confidence to Box A4868, Financial Times, One Southwark Bridge, London SE1 9HL

CONFERENCE ORGANISATION

Well established business services group based in Central London wishes to expand its Conference Organisation/Event Management Division through the acquisition/merger with a similar business producing sales £0.5m and over.

Principals only write to Box A3303, Financial Times, One Southwark Bridge, London SE1 9HL

TAX LOSS INVESTMENT COMPANY

Required with agreed excess management expenses of £1-£5 million...
Apply Box A4299, Financial Times, One Southwark Bridge, London SE1 9HL

METAL FABRICATION COMPANY
WANTED London/Thames Valley area. Contact Box No. A3300, Financial Times, One Southwark Bridge, London SE1 9HL

ENTREPRENEUR CHAIRMAN with £1M personal funds available seeks purchases or controlling interest of a company in North West. Write to Box A3311, Financial Times, One Southwark Bridge, London SE1 9HL

HEALTH CARE DEVELOPMENT INTERNATIONAL, INC.
Modern Health Care Worldwide A full service facilities planning organisation handling all levels of health care service.
• Project Management
• Regional Planning
• Planning
• Architectural Services
• Construction
• Hospital Management
• Staffing
For more information, call HCD
777 Old Saw Mill River Road
Tarrytown, NY USA 10591-6721
Tel: (914) 347 2032 Fax: (914) 347 3294

BANK CHARGES TOO HIGH? Do you think your bank is making mistakes on your account? Then call BANKWATCH. Our consultants are all ex-bank managers. BANKWATCH 071 323 5542.

GROSSEVENOR STREET, W1 Lux. furn. serviced offices, spec. fac & telec. fr. £70 pm. short/long let. Tel: 071 435 7832.

YOUR OFFICE IN LONDON FROM 10p a day. Account/Tel Area/Thames Valley etc. Office Box. Tel: 071 436 0768 Fax: 071 480 3729

هكذا من القليل

BUSINESSES FOR SALE

**Touche
Ross**

ERA Holdings Plc

formerly Jack Knight Group Plc
(In Administrative Receivership)

The Joint Administrative Receivers, A. P. Peters and J. B. Atkinson, offer for sale the business and assets of Engineering Research and Application Limited and Wolverhampton Precision Engineering Limited.

Engineering Research and Application Limited

(In Administrative Receivership)

- Turnover in excess of £1.6 million per annum, with order book of £0.6 million.
- A leading European automotive engineering consultancy, specialising in engine and component testing, system design and prototype manufacturing, with emission testing approvals for Europe, United States and Far East.
- Prestigious customer base of blue chip OEM and component suppliers.
- Comprehensive testing facilities include 15 fully equipped engine test cells, emissions laboratories, and unique vehicle testing environmental chamber.
- Experienced and highly qualified specialist work force.
- Extensive freehold premises in Dunstable, Bedfordshire.

Wolverhampton Precision Engineering Limited

(In Administrative Receivership)

- Turnover of over £0.9 million per annum, with order book of approximately £0.3 million.
- BS5750 (II) approved manufacturer of components for the Bus, Truck and Defence Industries and Automotive related market.
- Small highly skilled work force.
- Modern CNC milling/turning equipment in addition to conventional gear cutting facilities.

For further information and a sales brochure please contact Andrew Peters or James Grenfell at the address below.

Colmore Gate, 2 Colmore Row, Birmingham B3 2BN.
Tel: 021 200 2211. Fax: 021 236 1513.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

**Touche
Ross**

East Midlands Master Bakery

(For Sale)

The Receivers L. K. Denney and J. Wilson offer for sale the assets of Henry Browns (Bakery) Limited of Nottingham.

- Bakers of high quality, craft products.
- Skilled work force and management - 110 people.
- Bakery occupies approx. 22,000 sq. ft. long leasehold site in Nottingham, but adjacent to M1, M42 Motorway network.
- Annual Turnover has been £3 million, now down to nearer £2 m.
- Excellent customer base including national supermarket chains.

For further information contact:

Lindsay Denney or Chris Hornsby at: Touche Ross & Co.,
1 Woodborough Road, Nottingham NG1 3PG.
Tel: 0602 500511 Fax: 0602 590979

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

**Touche
Ross**

G. E. Foxton Limited

(In Administrative Receivership)

John Wilson and Lindsay Kennedy Denney, Joint Administrative Receivers, offer for sale the assets and undertaking of the above specialist fabricators and installers of steel and aluminium windows, doors, curtain walling, roof lights, patent glazing, entrance screens etc.

- Business established in 1949.
- Leasehold premises. Production area and office accommodation extending to approximately 5,000 sq. ft.
- Workforce comprising 4 production, 5 installation and 5 administration staff.
- Last recorded turnover £1.36m.

For further particulars please contact John Wilson, the Joint Administrative Receiver, or Dian Wardle at the address below.

1 Woodborough Road, Nottingham NG1 3PG.
Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Tennant House Holdings Ltd.

Macclesfield, Cheshire

The Joint Administrative Receivers offer for sale the business and assets of Tennant House Holdings Ltd.

Principal features include:

- Mail order retailers via Stockingfills, K&S Stuff and Montrose catalogues.
- Turnover in excess of £4 million.
- Long leasehold modern offices and warehouse - approximately 32,000 sq. ft.
- Well established business with many years trading experience.
- Experienced workforce.

For further information contact the Joint Administrative Receivers, Philip Ramsbottom or Peter Terry, KPMG Peat Marwick, 7 Tib Lane, Manchester M2 6DS. Tel: 061 832 4221. Fax: 061 832 7285. Telex: 668265 PMMMAN G.

KPMG Corporate Recovery

COURIER AND DISTRIBUTION COMPANY:
TO SUBSCRIBERS plus credit and postage.
Profits - Non-sec owner retiring. Best
offer - Box No. A8300, Financial Times,
One Southwark Bridge, London SE1 9HL.

MAGAZINE ADVERTISING ASSETS OF
insolvent companies and businesses.
Free copy 071-282 1184.

RECEIVERSHIP Weekly report of 400s.
insolvent companies for sale. Contact with
the individual handling the disposal.
Details 0273 660740

PREMIER HOTEL PROPERTIES SEALED BID SALE

Over 20 Quality Hotels in Major North American Markets

Hotel Name	Location	No. of Rooms	Hotel Name	Location	No. of Rooms
Hospitality Inn	Jacksonville, FL	202	Travelodge	San Diego, CA	307
Hospitality Inn	Jacksonville, FL	103	Sports Arena	Clinton, NJ	142
Hospitality Inn	Pensacola, FL	124	Radisson Hotel	Minneapolis, MN	243
Hospitality Inn	Pensacola, FL	81	Summit Hotel	Dallas, TX	376
Landmark	Las Vegas, NV	Site	Carlton Place Hotel	Toronto, Ontario	528
Hampton Inn	Valencia, CA	139	French Quarter Suites	Atlanta, GA	155
Lake Arrowhead Hilton Resort	Lake Arrowhead, CA	261	Travelodge Viscount	LAX Airport, CA	567
Los Angeles Airport (Marriott) Hotel	LAX Airport, CA	178	Travelodge Hotel	Miami Airport, FL	264
Holiday Inn	San Francisco, CA	389	Travelodge Hotel	Atlanta, GA	180
Douglas Club	San Diego, CA	210	Travelodge Viscount	Denver, CO	209
Radisson Hotel	San Bernardino, CA	338	Omni International	Baltimore, MD	702

* Properties offered individually at substantially below replacement cost

* With or without management or franchise affiliation

* Seller financing available on selected properties

Sealed Bids Due 16th April 1993

For further information and a catalogue call

Kay Dymock in London +44 71 457 3902 or fax +44 71 457 3904

Jones Lang Wootton
INTERNATIONAL HOTELS

Biscuit Manufacturer Glasgow

Nestlé UK Ltd offer for sale the business and assets of Gray Dunn.

Principal features include:

- Established product range produced by an experienced workforce.
- Annual turnover of £6 million.
- 4 acre freehold property.
- Flexible manufacturing plant and equipment.

For further information contact:

Mr. A. J. Sharpe, Nestlé UK Ltd,
St. George's House, Croydon, Surrey CR9 1NR.
Telephone: 081-667 5187. Facsimile: 081-667 1830.

SPECIALISED JOINERY CONTRACTORS (DOOR, FRAME AND ANCILLARY PRODUCTS)

Timber Technology Limited

The Joint Administrative Receivers offer for sale the business and assets of the above company.

Principal features of the business include:

- excellent blue chip customer base
- highly skilled workforce - 120 employees
- modern leasehold property at Somercoates, Airedale, Derbyshire, 65,000 square feet
- quality modern computerised joinery and woodworking equipment
- £6.8 million turnover.

For further information please contact Jill Howsam at Coopers & Lybrand, Cumberland House, 35 Park Row, Nottingham NG1 6PY. Tel: 0802 419066. Fax: 0802 410192.

Coopers & Lybrand is authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Coopers & Lybrand
Solutions for Business

BC Sanitan

The Joint Administrative Receivers, offer for sale, as a going concern, the business and assets of this established group of companies who are market leaders in traditional bathroom products.

Principal features of the business include:

- designs, copyrights and trademarks of exclusive high quality bathroom products
- annual group turnover of \$3.7 million
- 38 full time employees
- established customer base, with product displays in over 300 retail outlets
- four leasehold premises, in Reading, Birmingham (2) and Watford
- group includes Jackson Brosware Limited, a bathroom hardware assembly business based in Birmingham.

For further information please contact J M Ireland FCA, Joint Administrative Receiver at Coopers & Lybrand, 8 Greyfriars Road, Reading, Berkshire RG1 1JG. Tel: 0734 597111. Fax: 0734 607703.

Coopers & Lybrand is authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Coopers & Lybrand
Solutions for Business

BUSINESS FOR SALE

Long established quality manufacturer of steel office and news vending equipment based in North East London with substantial asset base. For further information please write in confidence to: Box A8302, Financial Times, One Southwark Bridge, London SE1 9FL.

OPPORTUNITY TO ACQUIRE ESTABLISHED & PROFITABLE RESIDENTIAL LETTINGS COMPANY SURREY BASIN

- Fast and continually expanding market
 - Excellent reputation/prospects
 - Current annual income approx £150,000
- Genuine applications in writing to: Box A8309, Financial Times, One Southwark Bridge, London SE1 9FL.

GREEK EXPORTS S.A. ANNOUNCEMENT OF A REPEAT PUBLIC AUCTION FOR THE HIGHEST BID

GREEK EXPORTS S.A., established in Athens (17 Panepistimiou Street) and legally represented in the capacity of Liquidator, of the under-mentioned MARITIME IRONWORKS - NAFSI, established in Piraeus, and in accordance with article 46a of Law 1891/1990, supplemented by article 14 of Law 2003/1991 and after decision No. 1209/1992 of the Piraeus Court of Appeal, and with the written statement (incoming ref no. 162/12.2.93 and 174/18.2.93) of the creditor of paragraph 1 of the above article.

ANNOUNCES
A repeat public auction for the highest bid with sealed bidding offers for the purchase, in lots, of the assets of the under-mentioned MARITIME IRONWORKS (NAFSI) S.A. which is under special liquidation and based in Piraeus at Salaminion and 34 Methonis Street. ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY UNDER LIQUIDATION: NAFSI operates on rented premises owned by the Piraeus Port Authority. It is engaged in the building, repair, conversion, upgrading and breaking of ships and other craft, as well as all types of machine-shop works. The Company under liquidation owns one building consisting of a ground and first floor and covering the entire plot of 1,195sqm, at Salaminion and 34 Methonis Street in Piraeus. The building houses the company's head office and the greater part of the ground floor is used for the manufacture of ship's propellers.

- In order to take part in the auction, interested parties are invited to receive from the Liquidator, the Offering Memorandum which describes in more detail the assets of the Company for sale, its obligations and the necessary procedures for its transfer, as well as the form of the Letter of Guarantee needed for the submission of a binding offer to the Athens auction public assigned to the auction, Mr. Andreas-Dimitris Zaliapopoulos-Economopoulos at 18 Vasileos Pavlou Street, 5th floor, Tel. 30-1-56.18.249 up to 10.00 hours on 29th March 1993 at 19.00 hours. Bids must be submitted in person or by a legally appointed representative.
- The bids will be unsealed before the above auction on Tuesday 30th March 1993 at 11.00 hours with the Liquidator in attendance. All those who have submitted bids within the prescribed time limits can also attend. Bids submitted beyond the prescribed time limits will not be accepted or considered.
- The sealed, binding offers must clearly state the price offered for the purchase, in toto, of the Company's assets and must be accompanied by a Letter of Guarantee from a bank, legally operating in Greece, for the amount of fifty million drachmas (50,000,000 dr.) or its equivalent in U.S. dollars.
- The Company's assets and all fixed and circulating constituent parts thereof, such as immovable and movable property, claims, trademarks, titles, rights, etc. are to be sold and transferred "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the company under liquidation is operating or not.
- The Liquidator, the Company and the creditors representing 51% of the total claims against the Company (Law 1892/90 article 46a, para. 1 as in force), known hereafter as the Majority Creditors, shall bear no liability for any legal or actual defects or for any deficiency in the effects and rights for sale nor for the possible refusal of the State to approve, as required, the transfer of elements of the assets, nor for their incomplete or faulty description in the Offering Memorandum and in any correspondence. In event of inconsistencies, entries in the Company's books, as they stand on the date of signature of the sale contract, shall prevail.
- Prospective buyers, hereinafter referred to as "Buyers", shall be obliged, on their own responsibility and at their own expense, to inspect the assets of the Company, to be sold and transferred, "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the company under liquidation is operating or not.
- The Liquidator and the Majority Creditors have the right, at their incontestable discretion, to reject offers which contain terms and conditions, irrespective of whether these offers contain a higher price than that of other bidders. Such unacceptable terms would, for example, require the repair, improvement or transfer of fixed assets, or requests for guarantees in the collection of claims in this respect, or compliance with recommendations regarding the security of the installations, or for safeguarding the insurance cover, etc.
- In the event that the person to whom the auction is adjudicated, fails in his obligation to appear within twenty (20) days from being invited to do so, and sign the relative sale contract and fails to abide by the other obligations arising from the present announcement, then the above-mentioned guarantee of fifty million drachmas (50,000,000 dr.) is forfeited to the Liquidator in compensation for expenses of any kind, time spent, and any actual or hypothetical loss sustained, with no obligation on the Liquidator's part to furnish any specific proof or claim that the amount has been forfeited to him as penalty clause and collect it from the guarantor bank.
- Guarantees deposited by other bidders shall be returned to them after the Liquidator's evaluation report has been approved by the Majority Creditors and the highest bidder's guarantee shall be returned to him after he has paid the sale price and the act of settlement has been drawn up and signed.
- The highest bidder is deemed the one whose offer has been accepted by the Liquidator and approved by the Majority Creditors as being in their best interests.
- The Liquidator shall not be liable to participate in the auction either with respect to the evaluation report or for his selection of the highest bidder and neither will he be liable to them for the cancellation of the auction in the event that its outcome is not approved by the Majority Creditors.
- Participants in the auction do not acquire any right, claim or demand from the present announcement or from their participation in the auction, against the Liquidator, for any cause or reason.
- Transfer expenses of the assets for sale (taxes, stamp duty, notarial and mortgage fees, rights, and other expenses for drawing up topographical diagrams as required by Law 651/77, etc.) are to be borne by the Buyer.
- Those taking part in the auction will be committed to keep the enterprise operating in its present form.

Interested parties should apply for further information to:
a) The head office of E.T.S.A. S.A., Directorate of Public Holding, 87 Syngrou Avenue (2nd floor), Athens. Tel. 30-1-92.94.395 and 30-1-92.94.396
b) GREEK EXPORTS S.A., 17 Panepistimiou Street (1st floor), Athens. Tel. 30-1-52.43.111 to 115

By Order of The Joint Administrative Receivers Messrs (KPMG) Peat Marwick Re: Rosehaugh Plc (In Administrative Receivership)

IMPORTANT SALE BY AUCTION 1200 LOTS OF EXECUTIVE QUALITY OFFICE FURNITURE AND COMPUTER EQUIPMENT

On View at: 7-9 Marylebone Lane, London W1

Wednesday 10th March, 1993

To include:

- "Deskings Systems" Workstations, Executive Desks, Designer Boardroom Table and Credenza's, Large Quantity of Teak Effect Cabinets, Gordon Russell Chairs, Compaq Computers, HP Laserjet Printers, Toshiba Copiers and Fax Machines, Xerox Copiers, Audio Visual Conference Equipment, Commercial Kitchen Equipment, Modern Gym Equipment, Typewriters, Transcribing Machines, Etc.

Auction At: PORTMAN HOTEL, PORTMAN SQUARE, LONDON W1

THURSDAY 11TH MARCH, 1993

ELEVEN A.M. PROMPT

CATALOGUES ON REQUEST FROM:

071-405 5501

Also at Birmingham, Bristol, Leeds, Cardiff, Leicester

HENRY BUTCHER
INTERNATIONAL AUCTIONEERS
AND RECEIVERS

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

1 Woodborough Road, Nottingham NG1 3PG. Tel: 0602 500511. Fax: 0602 590979.

LEGAL BRIEFS



Former head of merger task force joins Allen & Overy

MR COLIN Overbury, the outgoing director of the European Commission's merger task force, has joined the international London-based law firm Allen & Overy as a consultant on competition issues.

Mr Overbury, who qualified as a solicitor in 1955, joined the European Commission in 1973 and was put in charge of competition in mechanical, electrical and electronic industries in 1984. From 1986 to 1990 he was in charge of competition for financial services, media, telecommunications, information technology and all manufactured products including motor vehicles.

In 1990, Sir Leon Brittan, then competition commissioner, asked Mr Overbury to set up and head the merger task force. He is widely credited with its success in making important decisions within the tight deadlines of the EC Merger Regulation.

Software ruling

IN A test case for the copyright of computer software, the English High Court has ruled that a plaintiff can establish an infringement without showing that his software code has been literally copied.

The case is of great significance to software developers and owners. Previously, the law had been unclear in cases where "the look and feel" of one program duplicated another, according to solicitors Dobb Lupton Broomhead, who acted for John Richardson Computers, the successful plaintiff. The Court said that non-literal aspects of a computer program could infringe copyright. The plaintiff did not have to show copying of a substantial part of the structure and organisation of the program even where the program source code had not been copied.

A good life at the top of the charts

Robert Rice unveils the results of an FT poll of legal firms

Clifford Chance, the UK's largest law practice, has emerged as the leading UK commercial law firm in the 1992 FT law firm poll of polls. The group's move to the top of the table, ahead of Linklaters & Paines and Slaughter and May, both of which were ahead of it in 1991, suggests it is now reaping the rewards of the ambitious 1987 merger between Clifford Chance and Coward Chance which led to its formation.

The overall strength and depth of the firm's base is reflected in its high ratings across the complete range of performance indicators used in the FT poll. Profitability remains the only area where it lags behind its main competitors, its weak showing in Legal Business magazine's table of the most profitable law firms being largely due to extraordinary costs associated with a move to new City premises.

Although perhaps not yet enjoying the reputation of Linklaters and Slaughters, it appears to be "benefiting from a more competitive pricing policy" than some of its rivals, according to one City observer.

Linklaters, ranked second, also had an exceptionally good year being involved in most of the big transactional deals during 1992 and continuing to benefit from the strength of its international capital markets work. The firm would have

finished as a clear leader but for its lack of involvement in the main management buy-outs of 1992.

The 1992 poll also confirms the existence of a "super group" first identified in 1991. These top five firms continued to move ahead in 1992 in spite of the depth of the recession largely through the strength of their international practices and their domestic, corporate and financial client base, which allowed them to tighten their grip on high quality, high value work.

Mr James Wyness, joint senior partner of Linklaters, says 1992 was a year in which to be grateful for a strong corporate and financial client base, a view echoed by Mr Giles Henderson, the new senior partner of Slaughter and May.

In terms of the domestic market for legal services, 1992 was very tough and increasingly competitive. For the big firms this meant concentrating more on tailoring their services to client needs and learning to be flexible on fees.

Companies began to recognise in increasing numbers that the recession had changed the marketplace and that they could now exert a much greater influence on the legal services they purchased and on what those services cost.

In spite of the recognition by most law firms of the need to be flexible over fees in these market conditions, the top UK commercial

practices were caught off balance in the autumn by a league table published by the International Financial Law Review which suggested that the average hourly rate for legal advice from a partner in a leading City of London law firm had risen by 20 per cent in the last 12 months.

IFLR labelled UK commercial law firms the most expensive in the world, charging \$235 an hour more than their US counterparts. If, in practice, they had demonstrated the need to be flexible on fees, they had failed to get that message across to the public. Some firms had even found themselves attacked for apparent inflexibility.

In spite of difficult market conditions, the top 10 firms all appear to have enjoyed a relatively successful year. Figures published last September by Legal Business for the 1991/92 financial year showed revenues holding up very well in the early part of the year.

The top six firms all had turnovers roughly equivalent to £1m per partner. Clifford Chance the UK's largest law firm had a turnover of £244m, comparing well with American firms of similar size such as Skadden Arps (£280m), Baker & McKenzie (£273m) and Jones Day (£232m). Linklaters (£154m), Freshfields (£135m), Lovell White Durrant

LAW FIRM POLL OF POLLS									
Firm	Legal 500	Clifford's City Directory: most stock market clients	Legal Business: most profitable firms	International practice (by size)	Acquisitions Monthly M&A	KPMG: leading MBO advisers	IFLR: Eurobonds	KPMG: new issues	Total (max 180)
1 Clifford Chance	19	18	11	17	17	20	17	18	139
2 Linklaters & Paines	16	16	16	16	16	16	16	16	131
3 Slaughter and May	15	15	20	15	15	15	15	15	129
4 Allen & Overy	15	15	20	15	15	15	15	15	119
5 Freshfields	17	17	17	17	17	17	17	17	117
6 Lovell White Durrant	20	20	11	17	17	17	17	17	88
7 Ashurst Mott & Crisp	7	16	15	0	13	17	0	19	87
8 Simmons & Simmons	13	10	13	3	11	0	0	11	80
Equal 9 - Morgan Ross	12	15	7	3	19	6	0	14	78
Equal 9 - Herbert Smith	14	17	12	12	15	6	0	0	78

Firms were ranked in 10 groups for a first place and 9 where there are 10 firms ranked above them in a league table. The FT's table of the top 10 law firms is based on a poll of polls - from a number of publicly available lists and rankings. The poll used in 1992 varies slightly from those used in 1991 to take account of newly published information, in particular the Legal Business table of the most profitable law firms. The 1992 table also attempts to reflect the increasing importance of international work by ranking firms by the size of their international practice.

(£120m), Slaughter and May (£112m) and Allen & Overy (£112m) also compare favourably with their US counterparts.

All of them say that since April they have managed to maintain revenues and that, if anything, business has picked up. The 1992-93 figures are likely to show continued growth for these six.

The explanation for this success can be found partly in the counter-cyclical nature of some sectors of the legal services market and partly in the strength of the firms' international practices.

Mr John Pritchard, editor-in-chief of Legal Business magazine, says that all the leading firms have benefited from the huge increase in corporate restructuring and refinancing that has accompanied the recession. But two firms in particular, Allen & Overy and Lovell White Durrant, have shone out, he says.

Mr Bill Tudor John, managing partner of Allen & Overy says his firm has had a particularly good year because of the strength of its banking and insolvency practice.

Allen & Overy had a hand in most of the big insolvencies and debt reschedulings in 1992, acting for the

administrators of the Maxwell private companies and Canary Wharf and for WPP, Guinness Peat Aviation, Heron Corporation and News International in their reschedulings.

On the international front, Linklaters, Allen & Overy, Slaughter and May, Clifford Chance and Freshfields have all benefited from their domination of international capital markets and structured finance work.

The IFLR Eurobonds league table used in the poll of polls is supported by a recent survey, by Euromoney, of senior executives in the Euro-bond syndicated loan and derivatives departments of leading financial institutions. That showed that international capital markets are dominated by Clifford Chance and Linklaters with Allen & Overy and Slaughter and May vying for third place.

With some 40 per cent of its work now having an international element, it is not surprising that Linklaters and other such firms have found it easier than most to ride the UK recession, Mr Wyness says.

To add insult to injury for those firms fighting for a share of the domestic markets, what little high

quality transactional work there was in 1992 also appears to have gravitated to the top firms.

Freshfields, arguably the leading corporate finance law firm, Linklaters and Clifford Chance were all involved in either the £3.7bn Hongkong and Shanghai/Midland Bank deal or the merger between Reed International and Dutch publisher Elsevier. Linklaters and Slaughter and May were involved in the public sale of Wellcome shares and Linklaters worked all last year on the ICI demerger.

This domination is likely to continue in 1993. Linklaters, for example, has been appointed by the government on both the British Rail privatisation and on the sale of the third tranche of British Telecom.

The picture for those outside the top 10 is not so encouraging. While the UK economy remains in recession, all law firms are likely to suffer to an extent. But it is outside the top 10 that structural problems, born of the boom in legal business during the late 1980s when many law firms grew much too rapidly in size to meet the huge demand for legal services, are likely to make themselves felt in 1993.

When to use the national courts



EUROPEAN COURT

The European Commission has published new guidelines on co-operation with national courts in EC competition cases, designed to encourage the use of national courts in the application and enforcement of EC competition rules.

Publication of the guidelines in a Commission Notice has been hastened by three recent developments: the post-Maastricht philosophy of subsidiarity; the European Court's judgment in the *Delimitis* case setting out the procedures which national courts may follow in EC competition cases; and the recent Court of First Instance judgment in the *Automec* case. The Commission

relied on that case to justify exercising a discretion as to which competition complaints it should give priority.

Since 1974, the ECJ has recognised that companies and individuals have the right to enforce the EC competition rules in national courts. A line of cases has established the general right to an effective remedy for infringements of Community law.

The Commission Notice rather timidly says that this means that all procedural rights and remedies such as damages, injunctions and interim measures provided by national law should be available to litigants on the same conditions as

would apply if a comparable breach of national law were involved. The Commission does not deal with the situation where there is no effective remedy for a comparable breach.

National courts, however, have been reluctant to exercise their jurisdiction for a number of reasons, such as the Commission's exclusive competence to grant exemptions for agreements and business conduct which would otherwise be prohibited as anti-competitive, the often complex economic questions involved, and the absence of specific procedural rules. The Notice sets out to provide sufficient reassurance to overcome this reluctance.

When applying EC competition law, national courts should be guided by formal Commission exemption decisions, as well as any other official statements such as comfort letters, the case law of the ECJ, other Commission decisions, general notices and the block exemption regulations.

In difficult cases the national court is encouraged to stay proceedings to await the outcome of any Commission procedure relating to the same conduct, or seek the Commission's views on certain issues, or refer the matter to the ECJ for a preliminary ruling. It is envisaged that national courts may, within the limits of

national procedural law, request the Commission to provide:

- information of a procedural nature;
- consultation on points of law, including an interim opinion on eligibility for individual exemption;
- and factual data to be used as evidence by the parties subject to availability and the principle of confidentiality.

Replies from the Commission on these points will neither bind the courts nor affect their right to refer questions to the ECJ. The right to request economic market data from the Commission is one of the most obvious benefits of the Notice. Although bringing an action

before a national court may be more expensive than filing a complaint with the Commission, the Commission identifies some of the advantages of court action:

- damages are available;
- injunctions may be available and interim measures may be more readily adopted;
- claims under national and Community law can be combined;
- and legal costs may be awarded.

In spite of such potential benefits, however, the policy of encouraging co-operation raises almost as many potential problems as it seeks to solve. Effective decentralisation may demand a more radical approach along the lines of harmonisation.

BRICK COURT CHAMBERS, BRUSSELS

PEOPLE

St Thomas' Matthews defeats Guy's Griffiths

A battle between two of Britain's most prominent hospital managers to run the biggest National Health Service trust in London ended in victory yesterday for Tim Matthews, chief executive of St Thomas' hospital.

St Thomas' and Guy's hospital trusts are due to amalgamate into a single trust next month. The eventual aim, based on recommendations of the Tomlinson report into London healthcare, is to combine the hospitals on one site.

Matthews (left) defeated Peter Griffiths (right), chief executive of Guy's, for the new job. The decision is a severe blow for Griffiths, who gave up the high-flying post of deputy chief executive of the NHS management executive in Whitehall to run Guy's when it became a trust in 1991. It is also a blow for Guy's morale - the hospital



Matthews (left) defeated Peter Griffiths (right), chief executive of Guy's, for the new job.

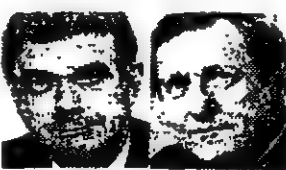
Matthews first task, after getting his

senior management team in place this month, will be to develop a strategy for combining St Thomas' and Guy's. The government wants proposals for consolidating services on a single site within six months. It has not yet been decided which location will be chosen.

Griffiths, 48, who is expected to leave Guy's soon after the new trust comes into effect next month, said yesterday that he would "continue to provide the maximum support" in preparing for its launch. "I have no doubt that working together Guy's and St Thomas' will be a world beating combination," he said.

Matthews, 41, was previously district general manager of Maidstone health authority and manager of the Middlesex hospital. Before that he, like Griffiths, worked in the Department of Health.

Non-executive directors



Alan Wheatley (left), chairman of St Group, at LEGAL & GENERAL.

Sir Derek Hornby (right), chairman of the British Overseas Trade Board, the Institute of Management, CEBIOS, and Astra Training Services, as chairman of VIDEO ARTS.

Sir Brian Goswell, senior partner of Healey & Baker, at BRENT WALKER, the first to be appointed since Sir Keith Bright became chairman.

James White, chairman of Ashley Group and former chairman and coo of Buntal, at BOWATER Inc to fill the unexpired term of the late Earl of Carrick.

William Colacicchi, a partner in Wilcoxon Lane Chatterback,

at THOMAS WALKER.

Stanley Bard at WEST TRUST.

Michael Barry, chairman and chief executive of Allied Foods, and Fergal O'Dwyer, a director of DCC Corporate Finance, at WARDELL ROBERTS.

Geoffrey Turley has retired from BAGGERIDGE BRICK.

Peter Jamieson, a director of Robert Fleming Holdings, and Bernard Solomons, chairman of Allied Provincial, at SCOTTISH AMICABLE.

Andrew Douglas at QUADRANT GROUP having stepped down as chief executive and is succeeded by David Coghlan.

Hamish Grosart at RADIO CLOYDE HOLDINGS; Alec MacMillan has retired.

Francis Hayes has resigned from AB ELECTRONIC PRODUCTS GROUP following its acquisition by TT Group.

Lionel Wernick and Joe Wernick as joint chairmen at THE WERNICK GROUP OF COMPANIES.

Nicholas Chamberlain, chairman of Clive Discount

and of the Lombard Association, as a trustee director of the IMPERIAL PENSION FUND.

Bill Slater, chairman of the Mersey Docks and Harbour Company, as chairman of BIFANET, the electronic trading network established by the British International Freight Association.

Janet Borwick, a director of Adam and Harvey Group, at RANELAGH.

Robert Fox at MAGNOLIA GROUP.

Charles Lenox-Conyngham, former chairman and chief executive of Sealink, as chairman at HARTONS GROUP; he succeeds John Abell who has resigned.

Philip Sober, former senior partner of Stoy Hayward, at CAPITAL & COUNTRY.

John Robins, group financial director of Willis Corroon Group, at CHURCH & CO.

Nigel Robson, a non-executive director of FLEMING EMERGING MARKETS Investment Trust, died on February 25.

Lovering joins Tarmac's trio

John Lovering, Sears' finance director until mid-1992 who resigned from the retailing group at the end of January, has arrived at Tarmac, the UK construction and building materials group which is expected to announce substantial losses for the past financial year. In the newly-created position of chief operating officer, he will be working in harness with Neville Simms, chief executive, and Terry Mason, Tarmac's finance director.

Simms said yesterday: "Tarmac is a very large group and I see us working as a triumvirate. John Lovering will assist me with day-to-day operational management and with business planning and development."

Lovering joined Sears in 1986, becoming finance director in 1988. Last year he was moved to the post of managing director of corporate development and international operations. Sears chairman Geoffrey Maitland Smith commented at the time of Lovering's departure: "He felt his talents were not being utilised."

Before joining Sears, he held senior posts at Lex Service, Grand Metropolitan and Imperial Group.

John Miller and David Bryant have been appointed regional chairmen responsible for Scotland and the north west, and East Anglia and the south east, respectively, at PERSIMMON.

Keith Calvert has been promoted to become md of Alford Brothers, part of PROWING.

An investment account specially for aliens.

Tax advantages for expatriates from Nationwide Overseas.

You may no longer be working hard in the British Isles, but there's no earthly reason why your money shouldn't be. Particularly since Nationwide Overseas Limited, has a 90 day notice account that pays expatriates interest rates that are quite out of this world and guarantees you a safe return. As if this isn't enough to make you feel over the moon, you can make one immediate penalty free withdrawal of up to £10,000 a year. Alternatively, you can choose our instant access option. In addition to these accounts, you can opt for a fixed rate over a fixed period with our new Offshore Time Deposit Account. For our latest Overseas Account rates, please phone home on 44 (0) 624 666095 or fax 44 (0) 624 663495. After all, just because you're an alien why should a safe high return be alien to you?



Please complete and return to Nationwide Overseas Limited, PO Box 217, 45-51 Abol Street, Douglas, Isle of Man or you may fax on 44 (0) 624 663495. We enclose a cheque made payable to Nationwide Overseas Limited for the sum of £... to open an Overseas Account with ☐ Instant Access ☐ Monthly Income ☐ 90 Day Notice ☐ Send for further details of Overseas Account.

Name(s) _____ Signature(s) _____

Address _____

Tel. No. _____

FT 22495

Nationwide Overseas Ltd, is a wholly owned subsidiary of Nationwide Building Society. Interest rates and terms may vary. Terms and conditions available on request. Interest will be earned on cleared funds, however, in the interest of security your account will not be operable until a completed application form is accepted by the company. Registered with the Isle of Man Financial Supervision Commission for Banking and Investment business.

هكذا من القليل

Horizontal slice of European art

William Packer looks back to the works of 1893 at the Musée d'Orsay

The chronological study of a movement's development, or the retrospective account of a particular artist and his work, is the staple of art-historical museum practice. But there are other ways to slice it for the microscope than up and down. The Musée d'Orsay has been looking sideways more and more in recent years, and now, after the success of its contextual studies of Van Gogh and then of Munch in their Paris periods, it has made the horizontal slice much thinner and chosen to see what artists of all kinds throughout Europe were up to in a single year.

The single-year idea is not new - I can remember a modest but excellent show at the Tate in the mid 1970s, of works in the collections made in 1893 - but this is the first I can think of to attempt so ambitious, pan-European a view. As such it can hardly fail to be interesting and enjoyable to anyone of open mind and catholic tastes. Here, cheek by jowl, sit great works alongside manifest oddities, the familiar with the unfamiliar or unjustly forgotten, different views and approaches to the same subject, the different results to be had from similar practice.

A full century ago, 1893, is as good a year as any to settle on, with Europe, for the sake, at its most cosmopolitan. And if Paris remained at the heart of things, we have for once a French exhibition that does admit of a significant world beyond. The sectional titles set out the possibilities - inspiring places; daylight; primitivism; science and poetry; intimism and modernity; myths, religions, allegories; muses, nymphs and shepherds; crowds, processions, solitude; artists, writers, musicians.

Every section springs its surprises and pleasures. Here are Prince Eugen (Sweden), with a barn-like castle beneath a wide northern sky, and DeGouve de Nunoques (Belgium), whose strangely lit pink house is a clear anticipation of Magritte, with a row of Monet's Rouen facades across the room. Here are towering cliffs by Medynsky (Hungary); a mystical sunset by Solberg (Norway); trees on breezy hill-top by Thoma (Germany). Tea, for Casan (Spain), is taken in pregnant silence on the veranda; for Gutierrez (Scotland), with gossip in the garden; Kroyer's young lady (Denmark)

sits quietly reading beneath the rose bush.

We are given two magnificent Gauguins, a self-portrait and "Otahi", a small but monumental image of a crouching Tahitian girl. And alongside are a Breton girl lying in the sun, by Amiet (Switzerland); a seated Breton girl in blue-striped shawl by the excellent Roderic O'Connor (Ireland); and a quite extraordinary, abstracted painting of Van Gogh's funeral, three broad bands of colour, yellow, purple-black and pink, and a row of orange heads above the pew, by Emile Bernard.

So it goes on, the influence accepted and remodelled, the intuitive sympathy, the unlooked-for correspondence. Burne-Jones's strange grey painting (England) of Perseus stealing, while they sleep, the single eye of the Gorgon, sisters of the Gorgons; Malczewski's spirit of the whirlwind in the cornfield; Masek's prophetic Libusa (Austria); Moreau's apocalyptic Moses saved from the water. The point of the strength and continuing importance of symbolism throughout the period, too often overlooked in the modernist preoccupation with post-impressionism, is well made.

The academic tradition, vivified by current impressionist example, is also well represented, most especially in the portraits and conversation pieces - Breton's tall girl before the mirror (Holland); Rusinol's piano lesson (Spain) with Corinthe's two young girls at the piano; Corinthe's vigorous, cool portrait of the painter Leistikow (Germany); Rothenstein's of the painter Conder, turning to leave the room (England); Serov's of the painter Levitan (Russia); the artist's wife splendid in her scarlet dress by Anders Zorn (Sweden).

But most remarkable, perhaps, is the Italian contribution with its technical debt to Pissarro and pointillism, its conscious social realism and over-lay of symbolism and its clear fore-shadowing of the Italian avant-garde. Balla and Boccioni some ten years on. Here are Morbelli's old men in the bleak hospice, and his rice-pickers bent double in the fields; Novecento's workers at a factory gate; and Pollera's Volpeta's religious procession in the summer sunshine, at once poignant, memorable and technically advanced.



The Swedish artist Anders Zorn's wife Emma, resplendent in her scarlet dress at their studio in Paris

The show ends with the proto-expressionism of Munch (Norway) and Ensor (Belgium) and a genouflection to Cézanne. There is also the mandatory audio-visual display, usually so resistible but this the most charming I have ever seen: an anthology of rare cinematic vignettes of the period, made by the Lumiere brothers in the streets of all the capitals of Europe.

But interesting as it is, the show is not an unqualified success. With barely 90 exhibits, it is small enough, which is no bad thing; the Orsay space and special shows is restrictive and ill-designed in any case. But such portmanteau shows do hold out the promise of a generous and comprehensive presentation, and here

"1893: L'Europe des peintres" - Musée d'Orsay, Paris 7me, until May 23

London concerts

Festival of Britten

The Barbican's latest big concert series (February 25 - March 21) is a celebration of Benjamin Britten by the London Symphony Orchestra and a whole galaxy of singers, choirs, instrumentalists and composers, led by Mstislav Rostropovich. He is its artistic director and guiding light; he is conducting most of the concerts, playing the cello in two others, and infusing everyone and everything with his overflowing generous musical personality.

This is, above all, his tribute to Britten, the last of the "three composers who have had the most influence in shaping my musical life": thus he writes in a foreword to the LSO programme book, itself decked with photographs documenting the association of Britten, Pears, Rostropovich and Vishnevskaya - relatively short in clock-time (not quite two decades), infinitely significant in creative terms.

But while the festival may focus on the artistic stimulus - of composer on cellist (and soprano wife) and vice versa - that resulted from this association, its programme is by no means narrowly single-minded. The LSO's opening concert, last Thursday, had no Britten in it but much Britten-by-reflection. The opening item was his little-known 1941 arrangement of the "flowers" movement from the Mahler Third Symphony; the finale was Shostakovich's Fourteenth Symphony, dedicated to him.

Mahler as Britten influence and Shostakovich as Britten's 20th-century artistic companion-in-arms are potent, fascinating subjects that cropped up again for examination in Sunday's two Barbican Hall concerts - the afternoon Borodin Quartet recital (which showed both Britten and Shostakovich learning the meter of string-quartet composition) and the evening LSO concert (which ended with Britten's 1938 *Sinfonia da Requiem*, its anguish and consolatory calm deeply imbued with the spirit of Mahler's Ninth Symphony).

This intelligent artistic cross-

referencing adds to the excitement of the whole enterprise.

Another strand concerns Britten as enlightened patron of younger composers such as Robert Saxton, Oliver Knussen and Colin Matthews. All three are featured during the series; for Thursday's concert the LSO had commissioned Matthews's *Memorial*. This sombriely impressive single-movement threnody attempts to capture in music a war-vision something like Lutyens's "great untriumphal arch" at Thiepval, commemorating the fallen of the Somme (where Matthews's grandfather is buried).

A single pedal-note tolls in the bass throughout the 20-minute length. Above it, reflections of two of Britten's most

Rostropovich responds with an uninhibited fervour that nevertheless proves apt only some of the time. He gave the *Simple Symphony* so fiercely loving and drawn-out a bearing that its "Sentimental Saraband" all but collapsed under the strain; the slow sections of the *Sinfonia da Requiem* were likewise distended. Even then, however, while longing for a lighter touch and a sharper sense of half-lights and expressively glancing orchestral effects, one tends to find oneself disarmed by his all-embracing Britten enthusiasm. (The festival is supported by Britten-Pears Foundation and Britten Estate.)

Max Loppert

This concert series at the Barbican is, above all, Rostropovich's tribute to Benjamin Britten

Earlier on the opening evening of the festival there was real Britten to be heard, though only for a select number of the audience. In the intimate setting of St. Giles Cripplegate students of the Guildhall School of Music presented *Curlew River*, the first of Britten's three Church Parables.

Even when they are encountered straight after work and at a church in the very centre of a city, far from the hallowed rustic silence that the composer had in mind, these remarkable pieces cast a unique spell. *Curlew River*, a Japanese Noh play transferred to the misty fenland of East Anglia and given a Christian slant, is probably the best of them. Its music is spare, infinitely sensitive to the touch; its atmosphere is haunting.

Various student groups have tried their hands at the Church Parables over the years, but the Guildhall's production, in the care of Jonathan Alver, came closest to the exaggerated Noh-style gestures of the original. The vocal parts, including Mark Milhofer's plangent Madwoman and Mark Evans's sturdy Traveller, were without exception well taken. Every good festival has its frings activities and the success of this one reflected well on the main programme.

Richard Fairman

'The Juliet Letters': Elvis Costello and the Brodsky Quartet

"This is no more my stab at 'classical music' than it is the Brodsky Quartet's first rock and roll album" warns Elvis Costello in the sleeve notes to *The Juliet Letters*. The release of the disc, and the performance at Drury Lane on Sunday, are the latest stage in Costello's carefully calculated move away from the rock background of his earlier work and towards something (not "that junkyard named Cross-Over" he insists) that he clearly hopes will prove to be richer and stranger.

With sublime hindsight hints of growing disaffection with the direction of his career could be traced through Costello's last two albums, *Spike* and *Mighty Like a Rose*. But neither of those patchy collections contains anything to anticipate *The Juliet Letters*, in which he seems to have abandoned almost every shred of his past work and started again from scratch, working with the members of the Brodsky Quartet on a sequence of songs for which the writing credits are shared equally.

The intentions may have been honourable enough, but the result is hugely disappointing; in submerging himself in this collectivity Costello seems to have sacrificed almost all his creative identity as a songwriter. There are just flashes that reveal the distinctive tang of his best work, an occasional twist to a vocal line or a familiar modulation, but the hard-edged edge to the songs has all but gone; the rhythms of the lyrics are flatter, less abrasive, and the emotional power has been drastically dimmed.

The textures of a string quartet marry uneasily with Costello's voice; there are songs in the set in which the accompaniment would undoubtedly be far more effective on a guitar-based band, while at best the string figures simply blur the melodic shapes. Promoting the Brodsky from a perfectly decent string quartet into creators in their own right has really added little; the accompaniments and interludes which the players invent for *The Juliet Letters* simply phrase choice words of their

Andrew Clements

Theatre Royal, Drury Lane; "The Juliet Letters" on Warner Bros 9352 45180-2

Theatre/Alastair Macaulay

The Magic Fundoshi

This triptych of short Japanese plays were written in Kyogen style by Donald Richie, the British authority on Japanese film, during his 50 years in Japan. Kyogen drama, as Richie has written, is "satyr-play, and-masque; it is Pyramus and Thisbe to Noh's Thesus and Hippolyta."

All three of these are miniature comedies in nicely bawdy vein. *Perfect Servants* like an erotic joke by Marlowe; *The Magic Fundoshi* is like a dirty rewrite of *The Emperor's New Clothes*; and *The Misplaced Goddess* is like a Whitehall farce set in a temple.

They are, however, acted here with laboured cuteness and zero finesse. I am sure that Glen Goel and Stephen Night, who co-direct, know far more about Japan than I; but this, surely, is Japan for tourists. David Tse, Adrian Pang, Danielle York and Andrew Mallett perform with an archness that implies that (a) "We're being Japanese, and refined, and quaint" (b) "You couldn't take any of this seriously, it's too silly" (c)

"But aren't we a hoot?" Everything smacked of schoolboy theatricals. I think I laughed once, but have forgotten when. Not when the Lady Chibusa (Mallett) reads *Hello* magazine, anyway.

Acted with more authority, these plays could probably be enchanting. (Alas, there is always an audience to cherish crummy nudge-nudge acting, and the audience at HammerSmith's Lyric Studio chorlines merrily. Richie has a comic gift, which only falters in the climax of *The Misplaced Goddess*. The real goddess appears, and tells off these men for underestimating women - an apothecise evidently intended as a feminist *dux ex machina* idea. But its feminism is expressed with such p.c. deadness that it seems to have been written by a machina for a machina, with no serious *dux* or idea in its head.

At the Lyric Studio, HammerSmith, W, until March 20

Recital/Richard Fairman

Dmitri Hvorostovsky

The noisy enthusiasm which greeted this recital suggests that Dmitri Hvorostovsky is well on his way to becoming a fully-fledged matinee idol. With arms outstretched and head held high, a smile of audacious pride allowed to creep across his face as he polishes off another song to his own satisfaction, Hvorostovsky is clearly practised at how to play the part.

For the young Russian baritone who rocketed into public awareness when he won the BBC Cardiff Singer of the World competition in 1989 fame was won quickly. He has, however, worked in earnest to further his standing. His matinee recital at the Queen Elizabeth Hall on Sunday was no mere after-lunch selection of favourite tittles from the celebrity singer's sweet-trolley. This was a serious programme of Russian song at its most demanding.

The first half was all Tchaikovsky. By chance the audience included the Russian mezzo Olga Borodina (in Lon-

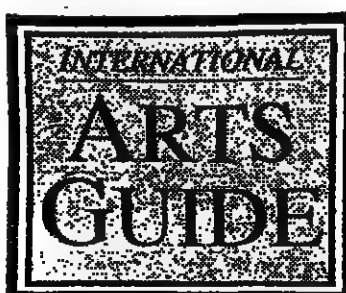
don to sing Berlioz's *Le Donjon de Faust* at the Royal Opera) whose Tchaikovsky recital at the Edinburgh Festival last year was so unforgettably. Comparisons are difficult to resist: if Borodina was the more determined to get to the heart of each song, Hvorostovsky was also musically eloquent, dramatically varied.

Occasionally there were odd phrases in these songs where the baritone's instrumental shaping of the vocal line recalled old recordings of bel canto singers of the past. But when he sings out, especially at the top, the voice does not grow in size and brilliance as one might expect. The top notes at the end of "Be it day that reigns", with the singer proudly inviting applause and Mikhail Arkadiev thunderously coming close to drowning him at the piano, suggested both of them thought that he was making more noise than he really was.

The pleasure of the recital came not in the thrill of hearing a fine voice in full flood, as

Hvorostovsky might suppose, but in the beauty of so much of the singing, its malleability, its sensitivity to colour. Of the Tchaikovsky songs, "Amid the din of the ball" stood out for its conversational intimacy and "On yellow cornfields", a marvellous song, for its feeling of intensity with room to spare. Hvorostovsky's *Songs and Dances of Death* were not monochrome sepulchral black, as they were with Christoff and Nesterenko, but subtly contrasted studies of Russian gloom.

Encores included a pair of arie antiche and Bellini's *I Puritani*, suavely sung, the breath control as remarkable as ever. By that point it was no doubt a sensible idea to vary the programme, but it is Hvorostovsky's accomplishment as an imaginative and serious interpreter of Russian song that will stay in the memory. Now that so many young Russian singers are coming forward who fully have the measure of this repertoire, there is no excuse for audiences in the West to ignore it.



AMSTERDAM

Muziektheater Tonight and tomorrow: Dutch National Ballet in choreographies by Balanchine, Ted Branden and Martha Graham. Thurs and next Mon: Glen Wilson conducts Pierre Audi's new production of Monteverdi's *Ullisse*, with Anthony Rolfe-Johnson and Graciela Araya (in repertoire till March 30). Fri and Sat: Jacob's Pillows Men Dancers. Sun, next Tues and Wed: Nederlands Dans Theater (6255 4555)

Concertgebouw Tonight: Elvis Costello and Brodsky Quartet. Tomorrow: Teresa Berganza. Thurs: Rudolf Werthen conducts orchestral works by Prokofiev, Mozart and Stravinsky, with piano soloist Maria Joao Pires. Sat afternoon: Ivan Fischer conducts Radio Philharmonic Orchestra, with oboe soloist Heinz Holliger. Sat evening, Sun afternoon, Mon and Tues evening: Vassili Sinaki conducts Netherlands Philharmonic in Brahms and

Richard Strauss, with piano soloist Vladimir Vardo (6718 345)

ANTWERP

De Vlaamse Opera's new production of *Faust*, with John Del Carlo in the title role, opens on Fri (six performances till March 16). Stefan Soltesz conducts Gilbert Dello's staging, designed by William Orlandi (233 6585). Nikolai Demidenko gives a piano recital tonight at deSingel. Roel Diehlens plays Bach cello suites on Thurs (248 3800)

ROTTERDAM

De Doelen Tonight: Arpad Joo conducts Budapest Symphony Orchestra in works by Bartok, Liszt and Tchaikovsky. Tomorrow: Robert Holl sings Winterreise. Fri evening, Sun afternoon: Frans Brüggemans conducts Rotterdam Philharmonic Orchestra in music by Bach. Sat: Monica Huggert plays Bach violin music (413 2490)

BRUSSELS

Monnaie Tonight: world premiere of Reigen, opera by Philippe Boesmans, libretto by Luc Bondy after Schnitzler. Sylvain Cambreling conducts a staging by Bondy, designed by Erich Wonder (repeated Thurs, Fri, Sun). Sat: Elzbieta Szymka song recital (219 6341). Palais des Beaux Arts Tonight: Rudolf Werthen conducts I Flammings in works by Prokofiev, Mozart and Brahms,

with piano soloist Maria Joao Pires. Thurs and Fri: Ronald Zolman conducts Belgian National Orchestra and Brussels Choral Society in Mahler's Second Symphony. Next Mon: Muir String Quartet plays Beethoven, Kreisler and Schubert (507 8200). Theatre National Tonight: first night of *Belina*, a Goldeni adaptation directed by Jean-Claude Buratti. Daily except Mon till March 20 (217 0303)

GENEVA

Gillian Weir gives a recital on the new organ at Victoria Hall on Sun afternoon (311 2511), followed on Mon by a piano recital by Mikhail Pletnev (310 6611). Francois Rochaix's new production of *Dialogues des Carmelites* opens next Tues at Grand Théâtre (311 2311)

THEATRE

A two-week run of Robert Pinget's mystery play *L'Inquisiteur* opens tonight at the Comédie (320 5001). Next Tues at Théâtre de Carouge: world premiere of Monique Lachère's new play about Catherine de Medici (343 4343)

LA HAGUE

Dansstheater Tomorrow: Dance Group Krizztina de Chatel. Thurs, Fri, Sat: Nederlands Dans Theater in Jiri Kylian's *Kagyayime* (repeated March 11, 12, 13). Sun: Scapino Ballet Rotterdam. Next Mon and Tues: Dutch National Ballet in

choreographies by Balanchine, Martha Graham and Ted Branden (380 4930). Dr Anton Philipszaal Sat: King's Singers. Sun afternoon: Arnold Oostman conducts Netherlands Radio Chamber Orchestra in works by Gade, Vieuxtemps and Mendelssohn (380 9810)

UTRECHT

Vredenburg Tonight: Sine Nomine Quartet. Tomorrow: Rudolf Werthen conducts I Flammings, with piano soloist Maria Joao Pires. Thurs: Robert Holl sings Winterreise. Fri and Sun afternoon: Graeme Jenkins conducts Radio Symphony Orchestra in works by Beethoven, Bartok and Rakhmaninov. Sat: Frans Brüggemans conducts Rotterdam Philharmonic in music by Bach (314544)

VIENNA

Opera Staatsoper Tonight, Fri and next Mon: Madama Butterfly with Diana Soviero and Neil Shicoff. Tomorrow: Arabella with Kiri te Kanawa. Thurs: Two Richard Strauss ballets. Sat: Die Zaubertöte. Sun: L'elisir d'amore (51444 2955)

CONCERTS

Musikverein Tonight: Rafael Frühbeck de Burgos conducts Vienna Symphony Orchestra in Mahler's Third Symphony. Tomorrow: Anne Sofie von Otter song recital. Fri: Dmitri Sitkovetsky directs New European Strings in Vivaldi and Tchaikovsky. Sat and Sun: Jiri

Belohlavek conducts Czech Philharmonic in works by Martinu, Dvorak and Tchaikovsky. March 6, 14: Prof HC Robbins Landon talks about Haydn performance practice, as part of the Haydn concert series this month in the Brahms Saal (505 8190)

Konzerthaus Tonight: Ensemble Aurora in music by Frescobaldi, Gabrieli and others. Tomorrow, Fri, Sat: Jordi Savall directs Hesperion XX. Sun: Richard Goode plays Schubert piano sonatas. Mon: Alban Berg Quartet plays Lutoslawski and Ravel (712 1211)

WASHINGTON

Kennedy Center Tonight: Gilbert Levine conducts Cracow Philharmonic in works by Gorecki, Chopin and Tchaikovsky, with piano soloist Janina Fialkowska. Thurs, Fri, Sat, next Tues: Jeffrey Tate conducts National Symphony Orchestra in Elgar, Mozart and Mendelssohn, with piano soloist Emanuel Ax (202-467 4800)

THEATRE

Escape from Happiness: George Walker's new play takes a humorous look at a dysfunctional family. Till March 14 (Center Stage 410-685 3200)

Antigone in New York: a black comedy updating Sophocles' work to contemporary New York City. Opens Fri, till March 28 (Arena Stage Old Vat 202-488 3300)

Jazz/Cabaret Barnes of Wolf Trap Tonight and

tomorrow: Cleo Laine and John Dankworth. Fri: masters of folk violin. Sat: guitar wizards (country, blues, jazz). Sun: singer/guitarist John Gorka (1824 Trap Road, Vienna, Virginia, 703-255 1916)

Blues Alley Jazz Supperclub Tonight: John Scofield Quartet. Thurs: singer Joe McPhee. Fri, Sat, Sun: Maynard Ferguson and Big Bop Nouveau. Mon: Larry Coryell and Harvey Schwartz, guitar and bass (1073 Wisconsin Ave, in the alley, 202-337 4141)

ZURICH

Opernhaus Tomorrow and Sun afternoon: La clemenza di Tito with Lucia Popp and Ann Murray. Tomorrow and Sat: Nikolaus Harnoncourt conducts Ruth Berghaus' new production of Der Freischütz, with Inga Nielsen, Gösta Winbergh and Matti Salminen. Fri and Sun evening: ballets by Nijinski, Saint-Leon and others (262 0909)

Tonhalle Tomorrow and Fri: Yakov Kreizberg conducts Tonhalle Orchestra in works by Schumann and Beethoven, with piano soloist Mitsuko Uchida. Thurs: chamber music with Isabelle van Keulen, Tabca Zimmermann and others (206 3434). Sun: Anne Sophie Mutter (261 1600)

Schauspielhaus Tomorrow, Thurs, Fri, Sun: Goethe's *Clavigo* directed by Henning Brockhaus. Sat: first night of new production of *The Hostage*, Brendan Behan's play about an IRA safe house where a British soldier is held prisoner (221 2283)

European Cable and Satellite Business TV

(All times are Central European Time)

MONDAY TO THURSDAY

Super Channel: European Business Today 0730; 2230

FRIDAY

Super Channel: European Business Today 0730; 2230

WEDNESDAY

Super Channel: European Business Today 0730; 2230

THURSDAY

Super Channel: European Business Today 0730; 2230

FRIDAY

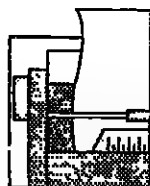
Super Channel: European Business Today 0730; 2230

SATURDAY

Super Channel: European Business Today 0730; 2230

SUNDAY

Super Channel: European Business Today 0730; 2230



PERSONAL VIEW

On both sides of the Atlantic, a debate is taking place about bankruptcy law. There is a lot at stake. When a company needlessly goes to the wall, the overall health of the economy is threatened - to say nothing of lost jobs and wrecked lives.

Bankruptcy law should play an important role in resuscitating financially distressed companies that are inherently sound. But current procedures are failing to deliver. A recent Coopers & Lybrand report concludes that, despite reforms in 1986, UK insolvency procedures too often "bayonet the wounded". In the US, Chapter 11 is thought to be slow, costly and too soft on debtors.

Practitioners have suggested ways of amending current procedures. While many of these changes are sensible, there are more fundamental problems that no amount of tinkering will solve. A radical restructuring of bankruptcy law is needed. We propose a new procedure, which is simple and quick, and gets the balance between liquidation and reorganisation right.

Almost all existing procedures can be crudely classified into two types. In the first type, a bankrupt company's assets are sold off for cash, and the proceeds distributed to creditors according to the seniority of claims. This type of procedure - in essence a cash auction - is how Chapter 7 operates in the US, and how most liquidations and receiverships work in the UK.

Cash auctions are attractive. The worry is that they lead to the piecemeal liquidation of healthy companies. Of course, in principle, there is nothing to stop someone from making a cash bid for the company as a going concern. The problem is that it is costly to buy the whole of a large company for cash. So even viable companies may be broken up.

To overcome the danger of inefficient liquidation, a second type of procedure has been developed. In the UK, this is the administration order; in the US, it is Chapter 11. Although the details of the UK and US procedures are very different, both can be viewed as forms of structured bargaining. The idea is to encourage creditors to agree on a reorganisation plan for the company, including a restructuring of their claims. Crucially, a plan

The beauty of a vote

Reform of bankruptcy law could help revive ailing companies



can be agreed by a suitable majority of the creditors: unanimity is not required. Creditors may of course decide to liquidate, and this is how most cases end up.

Reorganisation is a laudable objective, but there is an inherent problem with structured bargaining procedures. Creditors are being asked to make two decisions. First, what should happen to the company - should it be reorganised or liquidated? Second, who should get what - whose debt should be forgiven, and by how much?

Serious conflicts of interest arise when these two matters are decided together. Senior creditors may push for rapid liquidation since they will certainly get paid. Junior creditors and shareholders may want to gamble on the reorganisation process, since they enjoy the upside gains if the company's prospects improve, but do not suffer the downside losses. In structured bargaining, people are not only squabbling over how to divide the cake, they are also fighting over which cake to divide. This mixing of decisions is a recipe for failure.

We propose a procedure that has the simplicity of a cash auction, but which is flexible enough to allow for reorganisation, without conflicts of interest. At the outset of bankruptcy, an insolvent company's

debts are cancelled. The accountant or judge supervising the process then solicits bids for the company. The crucial difference from a cash auction is that bidders can offer to buy the company using as means of payment securities in the post-bankruptcy company. Suppose the company's managers believe that the bankruptcy was owing to bad luck rather than their bad management. They want to continue running the company, but do not have the cash to buy it outright. Under our proposal, they could bid to retain their jobs by offering equity in the post-bankruptcy company.

Another possibility would be to make a bid comprising cash and equity, where the cash is raised by borrowing against the company's future profits. An outside management team could make the same kinds of bids. And of course anyone is free to make a purely cash bid. The difficulty in evaluating these various bids is that they are chalk and cheese. How does one compare a cash bid to a non-cash bid? The answer is to transform the former claim-holders into shareholders, and then let them vote on the bids. There are a number of ways of doing this.

One market-based mechanism gives all the equity initially to senior creditors. Junior creditors have the right

to buy out the senior creditors once the bids are announced: someone owning 1 per cent of the junior debt is given the option to buy 1 per cent of the equity from the senior creditors at a price equal to 1 per cent of the senior debt. Similarly, former shareholders are given the option to buy back the equity from the creditors as a whole.

The merit of this scheme is that it preserves the seniority of claims without requiring an external valuation of the company. No junior claimant need feel short-changed, since he or she can always buy out the senior claimants if he or she thinks their equity allocation is worth more than what they are owed.

Once the new shareholders have been determined, they vote on which bid to accept. If the vote goes in favour of a cash bid, the company is in effect liquidated or sold. If a non-cash bid wins, then the company is in effect reorganised.

The advantage of a vote is that it leaves the decision over the company's future - whether to liquidate or reorganise - in the hands of the (new) owners. And at the moment of decision, these owners' interests are aligned, since they are all shareholders.

Moreover, there is no squabbling over the division of the company's value, since the procedure determines this mechanically via the options. We think our procedure strikes the right balance between liquidation and reorganisation.

Unlike a cash auction, the procedure gives claim-holders the option of maintaining the company as a going concern if the company's bad fortunes are the result of bad luck rather than bad management. Unlike administration or Chapter 11, the procedure avoids conflicts of interest. It is quick and cheap. And it is not biased in favour of incumbent management. Managers must persuade the new shareholders to vote them back into office, presumably against a competing cash bid. The threat of losing one's job provides a strong incentive to avoid bankruptcy.

Philippe Aghion,
Oliver Hart
and John Moore

The authors are, respectively: official fellow at Nuffield College, Oxford; BP visiting centennial professor at the London School of Economics; and professor of economics at the LSE

Joe Rogaly

A colour-blind vision



Police chiefs everywhere will recognise the powerful phrases used by Mr Paul Condon, the new commissioner of London's metropolitan police, at the weekend. "The dire consequences of racially based nationalism, ignorance, prejudice and outright thuggery," he said, "have already been seen to a greater or lesser extent in Italy, in France, in Belgium and of course in Germany." He did not exclude his own country. "Our society is in the process of becoming an even richer mix of races and nationalities," he reminded his audience at a three-day conference on "fairness, community and justice", organised by the Metropolitan Police.

His clear implication was that "outright thuggery" is used against Asians, Africans and West Indians in Britain. We all know this. England's assaults on Indians and Pakistanis long preceded Germany's recent murderous attacks upon Turkish guest-workers. On the western side of the English channel, the perpetrators are usually young louts, but sometimes police constables. "This is an area where we must be totally intolerant - intolerant of racially motivated attacks, intolerant of those who indulge in racial abuse, and intolerant of those who use hatred and violence as the tools of their political expression," said the commissioner.

As to the police themselves, "we must be equally intolerant of our own colleagues who fail to meet the required standards. The argument that there is some excuse for poor behaviour because the culture of the service can only be expected to mirror that of wider society... is simply specious."

Mr Condon's words echo the warnings given to the Los Angeles police by Mr Willie L. Williams, the black successor to Mr Daryl F. Gates as chief in L.A. In saying this, I acknowledge the substantial differences between Scotland Yard and L.A. law. Blacks constitute a far greater proportion of the Los Angeles population. The ugly beating by four white officers of the black motorist, Rodney G. King, on March 3 1991, and the subsequent riots in Watts county, caused much more damage in California than anything that has happened in Britain. The burned-out acres of Watts are evidence of that, as I saw the other day. Yet the fears in both cities are the same.

The British theory of assaults on ethnic minorities is that the less said about them the better. The Commission for Racial Equality has so far failed to persuade the government to create a new offence of racial violence. The government does collect figures showing reported attacks. But, although these suggest that there have been sharp increases over recent years, the actual numbers are meaningless, since black or brown victims often believe that there is no point telling the police. Worse, there is plenty of anecdotal evidence to suggest that some younger members of the force automatically assume that the non-white participant in any fight is the aggressor, no matter who started it.

My exposure to such stories started a few months ago with a telephone call from the CRE. It proposed a new set of annual media awards, for sensitive reporting or interpretation of

racial matters. Would I be one of the judges in the radio section? A few weeks later 32 tapes arrived - a total of 22 listening hours. Heavens! The only solution was to keep them for the motorway.

What I thought would be a bore turned out to be fascinating. The Britain revealed by these tapes is every bit as multi-ethnic as Mr Condon says it is. Non-whites constitute only 5 per cent of the population but a disproportionate number of them are under 16. These young new Britons may be visible in the streets, but many are indistinguishable to the ear. The really interesting voices were exactly those of natives of these isles. On one tape a Chinese girl spoke with a pure Ulster accent; on another we had a Glaswegian Singh; on a third a Patel of the Welsh valleys. West Indians who speak undiluted Birmingham

are well-known; I heard a few as I sped along the M4. Some of those interviewed, such as Diane Abbott, Labour MP for Hackney North (Harrow County grammar school and Newnham College, Cambridge), have clearly been able to look after themselves; many have not. Accounts of racial harassment, by pavement thugs or by the very police officers to whom the incidents were reported, were too consistent to be ignored. There is a contrary argument. Some forces have officers whose duty it is to record complaints of racial abuse, and to follow these up. The good intentions are there, but one or two individuals in a large and busy force cannot plot through the huge volume of reported inci-

dents of violence. None of the above should be taken by contestants as an indication of which tape has won. That is a separate matter, to be decided at the CRE ceremony at the end of the month. The point this morning is that Britain's ethnic community speaks to the rest of us through many hours of airtime. What it says fully justifies Mr Condon's weekend observations. These might serve to increase the propensity of victims to report racial incidents.

Beyond that, it is hard to see what can be done. British race relations are governed by a tacit agreement between the government and the majority of the electorate that remains suspicious of foreigners in general and black or brown ones in particular. The deal is this: whichever party is in government, and whichever the official opposition, will combine to enact an increasingly severe series of laws aimed at keeping non-whites out.

The latest example, debated in the House of Lords last month, is the Asylum and Immigration Appeals bill. On February 16, Lord Bonham-Carter observed that "there is racial discrimination in the way in which the system works at present; and that will become worse if there is no appeals procedure", as there will not be under the new legislation. "I should be surprised," he added, "if the more than one-in-1,000 Americans who were refused... entry - as opposed to the one-in-27 Ghanaians and one-in-27 Jamaicans - were not black."

In return for this restrictive covenant, the native inhabitants of the white homeland of Britain are expected to treat the few Africans, Asians and West Indians in their midst with a degree of decency. Most do. Mr Condon's is the right approach to those who do not.

UK race relations depend on a tacit deal between government and the majority of the electorate that is still suspicious of foreigners

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

The Duke of Westminster 'should have read Marx'

From Mr Luca Salice
Sir, The Duke of Westminster seems genuinely surprised at the Conservative government's desire to interfere in property rights with the lease reform bill currently before Parliament.

The Conservatives are clearly trying to remove some power and wealth from the large London estates in favour of the professional middle classes that live in West End flats.

This is a case of redistribution of wealth from the very rich to the merely rich.

Had the Duke of Westminster read his Karl Marx as a young man like everybody else, he would have realised that the shifting of the balance of power between social classes is what politics is all about. Politicians of all persuasions endeavour to protect or extend the power of some social classes at the detriment of others. Had the Duke realised that, he might have adopted the well-known policy of diversifying one's investments.

Luca Salice,
8 Ascham Street,
London NW5 2PD

Housing bill and Britain's constitution

From Mr George Donath
Sir, My regard for the Conservative Party is much enhanced by its steadfast pursuit of the Housing Bill, albeit in a somewhat emasculated form, and notwithstanding the loss of the Duke of Westminster's support.

The Duke wishes to use Britain's unwritten constitution as an impediment to change. It is in fact the opposite, for it permits parliament to update legislation in an orderly fashion, while restricting upheaval to the legislative chamber.

The Grosvenors have a litigious record in both the British and the European courts.

One would hope that the present Duke will not now set out to try to frustrate parliament's will by either further attacking the principle or searching for loopholes in the legislation.

This can only create bitterness, expense, a modicum of delay and further legislation. George Donath,
37 Eaton Meads South,
London SW1W 9HR

A Welsh perspective on the freight transport debate

From A J Gooding
Sir, In his article "Little Engine Who Can't" (February 18th), Richard Tomkins makes a valuable contribution to the debate on road and rail as regards freight traffic.

His analysis of the issues is certainly borne out in south Wales, where there has been a dramatic decline in rail freight traffic consequent upon the collapse of the coal industry and the rundown in the steel industry, both of which were virtually captive markets for the railways.

It is of course true that the government and various other agencies have had considerable success in diversifying the economy of the area through inward investment and indigenous growth of manufacturing. But for the reasons given in Mr Tomkins' article, this has done little or nothing to halt the decline in the amount of freight carried by rail.

I believe that a fresh approach is needed. The government is now more committed than for a long time to promoting transport infrastructure developments.

In these circumstances I suggest that it should commission a detailed study into the viability of establishing between a dozen or 20 railway-motorway interchanges with the most modern handling equipment, so that anything from a parcel to a full container load could easily be switched from one form of transport to the other.

I am convinced that if all the important industries within, say, a 20-mile radius of such an interchange were satisfied that freight deposited there between 4pm and 8pm one day would be available for collection at the nearest destination interchange between 6am and 10am the next morning, a good deal of long-haul traffic would be switched.

The truth of the matter is that most of our transport infrastructure is related to an economic structure which no longer exists or which has been transformed beyond recognition and over the years has "grown like Topsy" with little or no regard to an overall strategic plan.

The time has come for a fresh start. While we cannot wipe the slate clean, we should at least take steps to ensure that future infrastructure developments are coherent and meet the needs of the next century and not continue to be related to those of an earlier one.

A study along the lines I suggest would be an important step in the right direction. A J Gooding,
chairman,
Gooding Group,
37 Park Place,
Cardiff,
CF1 3BA

Brian Mulroney 'will not be missed'

From Dr Haroon Akram-Lodhi
Sir, Your leader, "Mr Mulroney's political legacy" (February 25) suggests that history will be kind to Brian Mulroney. However, the view from Main Street is very different from the view from Southwark Bridge.

Mr Mulroney pursued policies designed to restructure the Canadian economy. The results have been: an erosion of the

east-west trade which has historically served as the foundation of Canada's economic logic; a decimation of Canada's manufacturing sector; a loss of tens of thousands of jobs, many of which have shifted south to the US; and the longest, deepest recession since the 1930s.

By undermining the social solidarity upon which the Canadian federal state is built,

these policies have been instrumental in worsening Canada's divisions, not only between French and English-speaking Canadians, but also between eastern and western Canadians.

Mr Mulroney will not be missed. Haroon Akram-Lodhi,
Economics Division,
South Bank University,
London

Politicians ignore national identity at their own peril

From Mr Nicholas Lawson
Sir, The resignation of Mr Brian Mulroney, the prime minister of Canada, has garnered a fair share of attention. However, I feel the focus of the commentary has failed to highlight the true reason for the demise of Mr Mulroney's leadership career.

While it is true to say that his tenure suffered from the blight of economic recession, other issues are more central to his unpopularity. Mr Mulroney, like many politicians, failed to heed the history of his nation and the protestations of the citizenry.

His greatest error was his transgression on the citizens' ideal of the nation of Canada. He fostered and supported policies that attacked the institutions of the national political and social identity, from simple incidents such as the controversy over Royal Canadian Mounted Police uniform, to the

Meech Lake and Charlottetown Accords.

One must realise that being a Canadian is more than playing hockey and objecting to being called an American. There are intangible aspects that few Canadians can define, but they are all too aware of when violated.

A national identity does exist in the hearts and minds of every Canadian, which is built up from the aspects of the Canadian social structure and lifestyle.

Brian Mulroney showed too much petulant disdain for that which the man in the street holds dear, and his fate was predictable. Therein lies the true reasons for his fall from grace. Nicholas R M Lawson,
Hollyhock Farmhouse,
Guildford Road,
Cranleigh,
Surrey,
GU6 8LT.

The dangers of stereotypes

From Mr Brian McNamara
Sir, While it may seem mean-spirited, I think you will find that most of your Irish readers would object to your characterisation of Brian Mulroney ("Irish charm turns sour on Mulroney", February 25) as an "Irish charmer".

Look at it this way - while you would perhaps be comfortable attributing a stereotypically British characteristic (for instance, "stiff upper lip") to a politician of British origin, you would think again before headlining Jesse Jackson's or Nelson Mandela's "sense of rhythm".

Innocent as it may seem, your Irish charmer label is in fact a stereotype, with more negative images, such as the usual "tendency towards exaggeration" (which was included in the same article), never far away. Brian McNamara,
Washington DC,
US

ELECTRIC SYSTEMS

Giving a new spark to electric energy.



Meeting the growing demand for energy in congested metropolitan areas is more than a technical problem. It's also an environmental challenge. That's why we are continually working hard to provide safe, efficient energy solutions. We design and build gas-insulated high voltage switchgear to provide maximum safety while minimizing space requirements. This is just one of many advanced technologies from AEG.

AEG's areas of activity:

- Automation
- Electrotechnical Systems and Components
- Rail Systems
- Domestic Appliances
- Microelectronics

AEG
A member of the Daimler-Benz Group

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday March 2 1993

Breaking up British Gas

THERE IS a strong *prima facie* case for some form of break-up of British Gas, and the current Monopolies and Mergers Commission investigation provides an opportunity to do so. Whether the radical dismemberment proposed yesterday by Ofgas is the right way to go remains to be seen.

The underlying principle behind the industry regulator's plan is right: competition wherever possible, and monopoly and regulation only where necessary. Ofgas convincingly argues that British Gas's transportation business is the only part of the gas supply market to constitute a "natural monopoly". It would be wasteful to build duplicate pipelines into customers' premises and, provided rivals can get fair access to these facilities, there is no reason why the rest of the gas market should not be competitive.

But is forcing British Gas to sell off 14 different companies necessary to achieve competition?

The case for creating a separate transportation company is compelling. The current integrated structure has made it difficult for competitors to get fair access to British Gas's pipelines. Divestment would ensure fair treatment, as the transportation business would no longer have an incentive to show favouritism to British Gas's marketing arm.

There is also something to be said for breaking the marketing business into 12 competing companies. A more modest proposal would be to remove British Gas's

de jure monopoly to supply domestic customers. But the group's *de facto* monopoly would be eroded more quickly if it was split into regional companies able to make deals into each other's territories. More competition would create a greater incentive to improve efficiency, expand the market for gas and deliver a better quality of service. The main objection is political. Competition might lead to prices for some customers going up as cross-subsidies inherent in the system were eliminated.

The least convincing part of Ofgas's plan concerns a separate gas purchasing company. British Gas's dominant position in this part of the market is largely due to long-term contracts signed before privatisation. It is already being forced to sell on some of this gas to competitors and it is not clear that more should be done.

Moreover, most of Ofgas's arguments are theoretical. Before embarking on big structural changes to the industry, it is important that hard figures on the costs and benefits of a break-up are produced. So far the only published figures are a £2bn estimate from British Gas and a £250m one from Ofgas for the break-up costs. No attempt has been made to explain where these numbers come from, although the MMC has been given more detailed figures. British Gas and Ofgas must now make more financial information available to the public. The issue is too important to be decided behind closed doors.

Russia's backyard

AS THE political and economic situation in Russia worsens, the responses of President Boris Yeltsin grow more unpredictable. Already struggling to maintain his political authority at home, he has now touched off alarm bells abroad with careless talk concerning Russia's role in its immediate neighbourhood. In a speech to the centrist Civic Union grouping on Sunday, Mr Yeltsin said that given its "heartfelt interest" in suppressing conflicts around its borders, Russia should be granted "special powers" by the United Nations to act as guarantor of peace and stability in the former Soviet Union.

It is not clear whether even Mr Yeltsin knows what precisely he has in mind. But if — as Russia's wary neighbours and former subjects were bound to suspect — he is demanding some sort of international *carte blanche* to intervene beyond his country's borders, either in defence of Russian interests or in the more general cause of containing instability, he deserves a dusty response from the west. If he is attempting to play a useful mediating role, but appears hardline in his armed forces by promising them a new extra-territorial role, then he is playing a dangerous game which, far from creating a "belt of good-neighbourly, friendly states" around Russia as he says he wants, could merely fan the flames of conflict.

Russia undoubtedly has an overriding interest in preventing the spread of conflict to its south and west: its troops are already in combat in Georgia and Tajikistan, and keeping a fragile peace in Mol-

dova; refugees from these wars represent a further burden on its resources; and fastidious tendencies abroad could easily infect the Russian federation itself.

It also has reasons for concern about the internal arrangements of some of its peers in the Commonwealth of Independent States. Some 25m ethnic Russians live in other parts of the former Soviet Union, and in some cases — Latvia, Kazakhstan and eastern Ukraine — they constitute nearly half the population. Such communities are a target for anti-Russian sentiment at a time when relations between governments are coming under increasing strain over energy prices, currency links and trade. In Latvia and Estonia, discrimination against Russian minorities represents a flash-point waiting to ignite.

But to acknowledge such interests is one thing; to give Russia a free hand in dealing with them unilaterally quite another. In some of the conflicts on its borders, Russia could conceivably play a useful mediating role. But in many of them, its status as honest broker is not undisputed — and is likely to be further tarnished if it arrogates to itself an open-ended right to intervene in other sovereign states.

The west should tell Russia that it can only hope to resolve such disputes, and take its place in the community of civilised nations, by playing the fullest role in the international body set up to deal with them, the UN. Attempts to bypass that machinery will only make matters worse.

John Birt Inc

THE AVERAGE British citizen has long been entitled to take all possible steps, provided they are legal, to minimise his or her tax bill. But the director-general of the British Broadcasting Corporation is not an average citizen; and the revelation that Mr John Birt's pay has been finding its way into the family coffers via a tax-efficient private company has understandably raised eyebrows.

Yesterday's *Advertiser* decided to turn him into an emblem of the corporation is undoubtedly the right one. But it leaves a disconcerting impression that, just as long as the public remained in the dark, the BBC and its board of governors were happy to live with an arrangement that did not stand up to public scrutiny.

It was certainly a curious arrangement for any director-general of the BBC. By calling himself a consultant and paying himself through a company, Mr Birt was able to effect a wide range of expenses against his remuneration, something which no ordinary employee is able to do. This is particularly unsettling to BBC staff at a time when they are being asked to absorb the effects of a programme of radical change initiated by Mr Birt.

Unlike most of those who are paid under contracts at the BBC, the director-general enjoys several years of tenure. And unlike most television producers who operate under a corporate banner, he does not derive his income from a wide range of sources.

The arrangement was nonetheless agreed by the Inland Revenue

and has been sanctioned over a period of many years. There is no way of knowing at this stage how widespread such arrangements are in broadcasting or any other business. Without such knowledge it is difficult to judge the case for prompt action to close this sort of loophole.

Just because a tax avoidance mechanism is legal, it is not necessarily acceptable for individuals in important positions to exploit it, whether they be in the private or public sector. But more reliable information is needed before it can be judged whether it would be appropriate to take an early opportunity to tackle the specific loophole which permitted Mr Birt's arrangements. There are good arguments for reviewing the whole structure of corporation tax to address this and other concerns, but not on the basis of tax avoidance by a few television personalities.

The main policy matter to arise from the affair is a reminder that the pursuit of a simple tax system which is widely felt to be fair requires constant vigilance and determination. The fall in personal income tax rates under the Thatcher governments did much to undermine many of the more Byzantine tax avoidance methods, but there is still work to be done.

For the BBC, the main issue is the question mark raised, once again, over the judgment of the board of governors. But it seems no more likely than others in British public life to accept responsibility for an evident blunder.

If you ask Mr André Lévy-Lang, chairman of Paribas, the French banking group, how his company is faring, the answer is scarcely cheering. "We had a tough time in 1992," he said, "and 1993 is going to be another difficult year."

Mr Lévy-Lang is not alone. The 1992 figures for Paribas and the other big French banks, due to be published over the next few weeks, will paint an unpleasant picture of sluggish operating profits from their banking activities and steep provisions against losses on property and industrial investments.

The French banks, which include six of Europe's 20 biggest banks, are now beginning another bruising year of struggling with both the short-term pressures of the economic slowdown and the long-term challenge of adapting to life in an increasingly competitive market. The problems could not have come at a worse time for Crédit Lyonnais and Banque Nationale de Paris (BNP), the state-controlled banks which are prime candidates for privatisation if, as the opinion polls suggest, France's conservative coalition wins this month's parliamentary elections.

One of the main difficulties is the sluggish state of the banks' domestic market. The high level of French real interest rates, at more than 7 per cent, has depressed demand for credit among consumers and industry. "Demand for credit is static for the first time since the war," said Mr Michel Pébereau, chairman of Crédit Commercial de France. "This means that the volume of banking activity is very low."

The credit problem has also made it difficult for the banks to respond to the recent rise in short-term interest rates triggered by the Bank of France in its battles to defend the franc. The bank raised its short-term lending facility, which sets the rate at which banks borrow money, from 10 per cent to 12 per cent in early January. The action was aimed at deterring speculation, by making it more expensive to borrow funds in France.

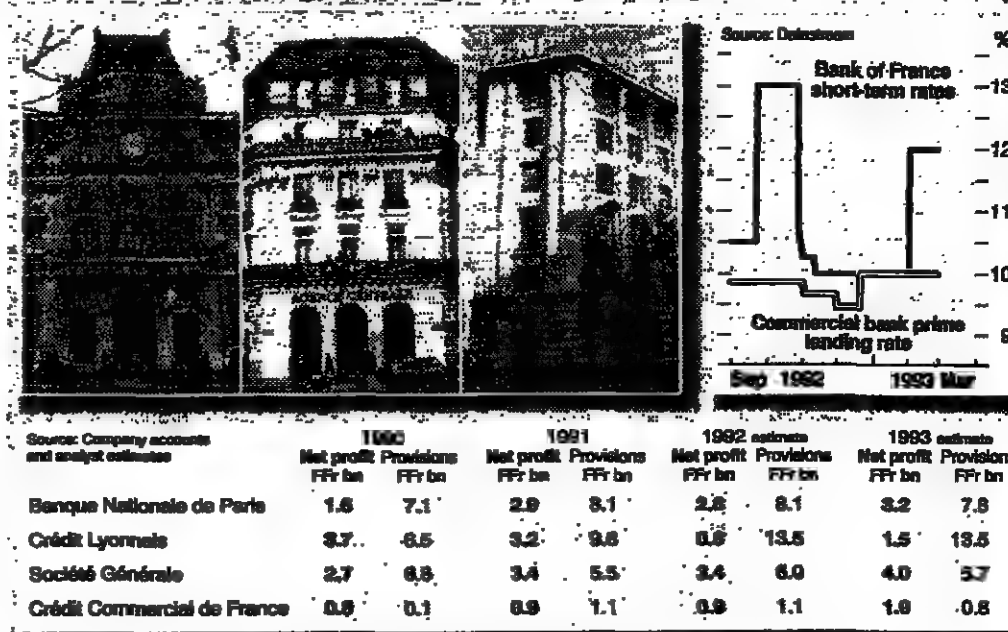
This increase also raised the banks' borrowing costs. In normal conditions they would have responded by raising the base rate they charge for loans to their own customers. But they have been reluctant to do so, partly for fear of offending the government, which is anxious to avoid another interest rate rise before the elections, and partly because of concern that higher base rates would further depress demand for credit.

The big banks have left base rates at 10 per cent since December. The French banking association estimates that, since the short-term facility rose in early January, their total borrowing costs have risen by FF100m (£12.5m) a day. The Bank of France is committed to reducing

French banks are beginning another bruising year in their domestic markets, writes Alice Rawsthorn

Exposed to chill economic winds

French banking: no sign of a pick-up



short-term rates, but is unlikely to make substantial cuts until German rates fall further, for fear of impeding the franc. The banks have been left in the unenviable position of having to decide whether to struggle on with higher borrowing costs, or to risk losing business by raising base rates.

These problems have been aggravated by the fragile state of the property market, particularly in Paris where average rentals have fallen by 20 per cent over the past three years. Mr Lévy-Lang estimates that the banking industry may have to write off up to FF70bn on property loans.

Banks have also been hit by the plight of small companies. The number of business failures —

mostly small concerns — rose by 7.3 per cent in the year to last August, leaving the banks with a string of bad debts.

As a result, the four largest commercial banks — BNP, Crédit Lyonnais, CCF and Société Générale — have seen their average level of provisions as a percentage of average loans treble from 0.4 per cent in 1989 to 1.2 per cent in the first half of last year. While this level may be relatively high for French banks, however, it is low by international standards. The comparable figure for the four big UK banks in 1992 was 2 per cent. Moreover, French bankers argue that higher provisions, like the credit squeeze, are due to short-term factors.

"We've been through all this before in the mid-1970s and early 1980s," said Mr Marc Vénot, chairman of Société Générale. "The property crisis, business failures and the market slowdown are all cyclical problems which will be resolved when the economy picks up."

So far, there is no sign of a pick-up. The latest Bank of France survey suggests the economy has

deteriorated in the opening months of this year, largely because of the effect of the strong franc on exports. Economists expect the strains to continue until after the elections, with the recovery starting in the second half of the year.

"The worst is probably over," said Mr Chris Davis, banking analyst at BZW in London. "The cyclical pres-

The pressing question is whether plans to privatise BNP and Crédit Lyonnais will be jeopardised

sure should have eased by the end of this year and the banks must then address their main structural problem — the high cost of their branch networks."

French banking overheads are high by international standards, with a cost-to-revenue ratio of 70 per cent, against 65 per cent in the UK. The banks are trying to resolve this by shedding staff, which repre-

sents 60 per cent of costs. The French banking association estimates that the industry, which employs 430,000 people, is now reducing staffing at an annual rate of 2.3 per cent, against an average of 1 per cent for the past four years.

The banks are also responding to domestic pressures by expanding outside France. The industry has traditionally taken a cautious approach to international investment, with the exceptions of Paribas in capital markets and Crédit Lyonnais with its successful European commercial banking network. However, last month CCF joined forces with Germany's BHF Bank to take control of Charterhouse, the UK merchant bank, and BNP declared an interest in buying Banco de Fomento of Spain.

The most pressing question on the domestic agenda is whether the banking industry's present problems will jeopardise the conservatives' plans to privatise BNP and Crédit Lyonnais. Both state banks have been badly affected by the economic slowdown. BNP, which has adopted the more cautious strategy of the two, saw net profits fall from FF2.94bn in 1991, to about FF2.78bn in 1992, and is on course for a modest recovery to FF3.2bn this year, according to Shearson Lehman, the investment bank.

Crédit Lyonnais is in a more precarious position, it barely broke even in the first half of 1992 and analysts forecast a fall in net profits from FF3.2bn in 1991 to less than FF1bn last year. The crux of its problems is the aggressive lending policy, pursued since Mr Jean-Yves Haberer became chairman in 1988, which has left it exposed to a string of corporate catastrophes, including \$300m to Olympia & York, the Canadian property group, and \$900m to MGM, the stricken US film studio. The bank is also worried by speculation that its M&A exposure is far higher than its \$900m estimate.

"Could you imagine Crédit Lyonnais right now? No way," said one observer. "And I wouldn't try selling BNP on last year's figures." However, analysts are confident that both banks should be marketable in two or three years. The most discussed scenario is that Mr Haberer will be replaced at Crédit Lyonnais after the elections and BNP will live on its image with deals such as Banco de Fomento.

"This certainly isn't the right time to sell either BNP or Crédit Lyonnais," said a second observer. "But there's no reason why they shouldn't be sold in late 1994 or 1995. The whole French banking system should look a lot healthier by then. If there are no more disasters, Crédit Lyonnais might even look like an exciting investment — exciting in the right way."

World Bank's worst-kept secrets

Michael Holman argues for an open approach in Africa

THE time has come for the World Bank to open to public scrutiny its relationship with the governments of Africa, just as it has urged the continent's leaders to open up to their citizens. Transparency and good governance demand it.

Instead the bank withholds information. Country reports, sectoral analyses and project evaluations are classified as confidential. Often they are the only source of reliable data in Africa, but bank officials apart, only a handful of politicians and civil servants is allowed access to them. This restrictive approach does Africa a disservice — it stifles debate, protects vested interests and gives structural adjustment programmes a bad name.

Many governments around the world would like to control the information supply, but in Africa it is easier to do so than elsewhere. The private sector is weak, the press is vulnerable, universities starved of resources, think-tanks are almost non-existent. Who can fill the information gap if government will not? Only the bank. It already plays an important

part. Its 1989 analysis — Sub-Saharan Africa: From Crisis to Sustainable Growth — remains required reading. Hardly a month goes by without a new study on some aspect of the continent's economic crisis. But it is a different matter when it comes to operations in individual countries.

The bank's relationships with some of its African clients are profoundly unhealthy: protective, secretive or defensive, sometimes all three. Governments are too often being given the benefit of the doubt when practice falls short of promise, and presidents' white elephants are indulged.

Take Nigeria: why the circumspection with which the bank handles its biggest customer in Africa? The bank has been the main supporter of the structural adjustment programme launched by President Ibrahim Babangida in 1986. After a promising start the programme ran into serious difficulties, undermined by corruption, weak management and falling political commitment.

But these factors are not evident from a look at the bank's 1992 annual report on the state of black Africa's largest economy. "Growth in Nigeria's GDP and agricultural sectors," it says, "both rose by about 5 per cent in 1991 with total non-oil production rising by just under 4 per cent. However the combined effect of the political transition and the short-lived effect of the Gulf crisis contributed to some weakening of fiscal and monetary discipline" (my italics).

This euphemism conceals a crisis. The unperceptive view of Nigeria is revealed in a bank report — Public Expenditure Management in Nigeria — not intended for public consumption. It was based on a review conducted in early 1991. In this study, one finds a more enlightening account of Nigeria.

The report tells of "large-scale" spending of oil revenues "outside the purview of statutory controls". It speaks of "a lack of transparency and accountability of big spending decisions". It says that "public

expenditures [are] used more to distribute oil riches and generate lucrative business opportunities for selected groups than to ensure efficient delivery of goods and services to the country as a whole".

Ask Nigerians about their economic crisis and most will blame corruption and "sap" — the acronym for the structural adjustment programme, which has become synonymous with hardship, inflation and unemployment. But if they had access to information that the World Bank treats as confidential, they would be better able to see the link between corruption and mismanagement and the failure of "sap". They would gain more insight into Nigeria's plight, and why "sap" was introduced in the first place. This information would not ease the pain of austerity. But at least there would be a better understanding of why "sap" was not working and a more informed debate about alternative strategies.

Of course, the bank has an explanation for the secrecy. Without it,

officials argue, governments would not co-operate. And confidentiality is clearly important. Yet all too often information that should be in the public domain remains secret. When information about grave mismanagement is withheld, confidentiality overlaps with complicity.

It is now widely accepted that international aid should carry conditions, whether linked to human rights or political accountability. The World Bank should add access to information to that list. The reports and analyses on which adjustment programmes are based should be open to public scrutiny.

Nigeria, which has promised to return to the path of reform, would be a good place to start. Chief Ernest Shonekan, chairman of the country's governing Interim Council, set out the blueprint in his budget in January, together with an appeal for debt relief. Few actions would do more to convince sceptical donors and creditors that he means business than allowing the World Bank to open the books on Nigeria. The governments that object the loudest to such scrutiny would be those with the most to hide.

One more talking shop

Hands up anyone who hasn't yet formed a pro-manufacturing industry lobby group. After the last years of the 1980s, during which British business apparently forgot how to make anything except Japanese cars, manufacturing is firmly back on top of the agenda.

The CBI, finally bludgeoned into championing the makers of nuts and bolts after its love affair with the service sector, has its National Manufacturing Council, businessman David Turnbull has started the UK Industrial Group, and now a strange bunch of politicians is launching the Manufacturing and Construction Industries Alliance.

It's the brainwave of maverick Tory MP Nicholas Winterton. He's got Robin Cook, the Labour industry spokesman, GMB boss John Edmonds, the Lord Mayor of London and a bevy of industrialists from Rolls-Royce downwards on his side. Indeed, the only weakness is the presence of Winterton himself. Someone closer to the Tory mainstream might have been preferable.

Winterton and his chums can be rather full of themselves sometimes. Even so, the presence of veteran campaigner Des Wilson suggests that it will get its message heard. But why another organisation whose motto "Making

things happen" is no different from the CBI's "Making it in Britain"? It seems Winterton had initially tried to coddle up to the CBI without success. Nevertheless, all sides are being very polite and the CBI's Howard Davies has even sent a message of support.

Far East pioneer

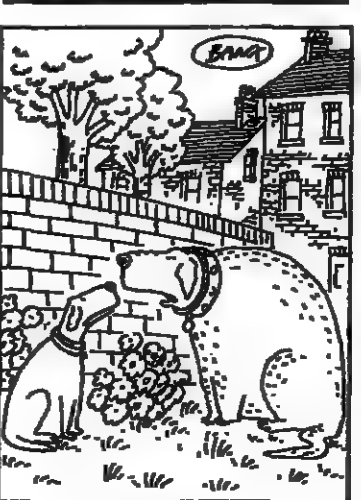
When it comes to finding well-paid retirement jobs for ex-British ambassadors to Japan, demand seems to exceed supply, judging by the speed with which Sir John Whitehead has been picking up jobs lately.

However, it seems that there may also be an untapped demand for retired Japanese big-wigs. Shijuro Ogata, former deputy governor of the Japan Development Bank, is on Barclays' board, but there are precious few other examples.

Full marks then to Foreign & Colonial which has recruited Kazuo Chiba, Japan's man at the Court of St James until 1991, on to the board of its Far Eastern Magship Ports & Colonial Pacific Investment Trust. Chiba, with his impeccable English and his considerable cultural versatility, was a tremendous success in London.

F&C's Eric Kisob says he got the idea of recruiting Chiba after he "popped up this winter giving a seminar at the LSE in Far East international relations". The fact that Chiba will be sitting alongside

OBSERVER



Sir Hugh Cortazzi, Britain's man in Tokyo between 1980 and 1984, may have helped. Even so F&C seems to be living up to its pioneering reputation.

Nothing ventured

If anyone doubted Robert Drummond, chairman of the British Venture Capital Association, when he said back in January that one of the biggest challenges facing venture capitalists was raising new funds, they should have been watching the final episode of BBC's *Adventurers* series. The series, based on Drummond's own venture capital firm,

Grosvenor Venture Managers, revealed that Grosvenor set out in early 1992 to raise £50m. It was forced progressively to reduce its sights until, by the end of the series, it had gathered in only £7m. On top of this, the two young turks who joined the firm at the start of the series were both quitting.

Drummond may be using his impulse to do the programme, made by the same team which produced Sir John Harvey Jones' successful *Troubleshooters* series. But it would be a great pity if Drummond's experience deterred others from revealing warts and all on camera.

Troubled brew

Given the fanfare accompanying his arrival less than five years ago, the sudden decision by Interbrew boss Jose Dedeurwaerder to quit is mystifying.

He had been hired by the Belgian brewer of that "reassuringly expensive" lager Stella Artois, to consolidate the merger of privately-owned Piedboeuf and Artois, and to expand the company internationally. The simple explanation is that he has completed that job, and successfully. But some suspect he may have trodden on toes on the way — all too easy for the professional manager of a family-owned concern.

The vacancy will be filled temporarily by Jean-Marie Descarpentries, on the board for

Golden debate

Bulls of the gold price may be an endangered species, but they were out in force at yesterday's opening of South Africa's Leendorn gold mine. Anton Rupert, doyen of South African industrialists, led the celebrations.

His belief in the yellow metal is no surprise given that his Rembrandt tobacco business has big stakes in Gold Fields. Still, his view that the world has too little gold is at least novel. "It is so scarce," he says, "that all the gold mined since Noah could be fitted into one luxury yacht such as that of King Fahd of Saudi Arabia." No doubt Rupert is talking from first-hand experience.

Paid out

The newly-minted Forum of Insurance Lawyers has an appropriate acronym — FOIL. Sounds just right for a bunch of briefs dedicated to advising insurance companies on how to combat fraud. If they're short of a motto, how about: "They shall not pay!"

INTERNATIONAL COMPANIES AND FINANCE

Viag to hold payout despite fall

By Christopher Parkes
in Frankfurt

VIAG, the German energy-based conglomerate, is likely to maintain its dividend despite a 9 per cent fall in profits last year.

The group, which last summer forecast higher earnings and its ninth consecutive payout increase, said yesterday that performance had been hit by the accelerating downturn in the second half.

There were no real signs of improvement in the German economy, although the company said it expected the worst to be over in some business areas in the second half of the current year.

Cost-cutting programmes and structural adjustments

would continue, it added. Numbers employed rose 14 per cent to 84,200 during the year as a result of consolidating recent acquisitions, although on a like-for-like basis the workforce was cut by 3 per cent.

Net profits of DM370m (\$226.4m), on sales up 3 per cent at DM24.3bn, were eroded by falling income from the can-making and trading interests. Results from the glass business, grouped under the Gersheimer subsidiary, were "heavily burdened" by overcapacity and import competition.

The rise in group turnover was largely attributable to the inclusion for the first time of sales from Viag's one-third stake in the Kühne & Nagel shipping and freight concern. Profits from chemicals, the

group's third-largest sector after energy and aluminium, "improved significantly", while sales fell from DM1.9bn to DM1.6bn.

Increased earnings were attributed to good demand for special products for the building industry and structural changes in the metallurgy business.

Restructuring also helped improve results in fire protection, where sales were virtually unchanged at DM1.4bn.

Deliveries of electricity and natural gas from the energy subsidiaries, which contributed DM3.8bn to group sales compared with DM3.2bn last time, were unchanged and earnings remained at the high level of the previous year.

Earnings from aluminium

were also unchanged despite the impact on prices of shipments from the former Soviet Union.

Viag, which has expanded rapidly since it was privatised in 1980, appeared last year to slow its acquisition programme and focus more sharply on consolidating its interests. The group spent less than DM600m on acquisitions last year, compared with DM2.3bn in 1991.

However, the creation of a new division, transport and logistics, to house the Kühne & Nagel business suggests it has further ambitions in this area.

Capital investment rose 11 per cent to DM1.9bn last year, as the company completed a primary aluminium plant in Canada and its new drinks can works in Saxony-Anhalt.

Unibank chairman to quit as losses soar

By Hilary Barnes
in Copenhagen

UNIBANK, the Danish bank, yesterday reported a 1992 loss of DKK4.96bn (\$737m), compared with losses of DKK1.65bn in 1991. This is the biggest loss ever reported by a Danish bank.

Mr Hugo Schroder, chairman of the supervisory board, will resign at the bank's annual meeting in April "as a consequence of the highly unsatisfactory result for the bank in 1992".

The company will not pay a dividend for the second consecutive year.

The capital adequacy ratio at the end of the year was 11.6 per cent on a balance sheet which was slimmer from DKK263bn to DKK221bn. Equity capital declined from DKK15.4bn to DKK10.7bn while the total capital base was unchanged at DKK20.6bn.

Mr Thorolf Krarup, chief executive, said the bank did not expect to need new capital in 1993. He forecast a reduced loss and a moderate further reduction in the balance sheet for the current year.

He said that on an unchanged balance sheet total equity capital would need replenishing if the bank losses much more than DKK3bn in 1993.

The 1992 loss was caused by bad loan provisions of DKK2.25bn, up from DKK1.4bn in 1991, and a loss on the value adjustment of the securities portfolio of DKK1.15bn compared with gain of DKK1.15bn in 1991. A loss of DKK656m, up from DKK487m in 1991, by the bank's London subsidiary, Unidank Holding, contributed to the group's loss.

The losses in London have arisen almost entirely as a result of property engagements. The bank's forecast of a reduced loss in 1993 assumes unchanged interest rates and share prices (which fell by 25 per cent last year), continued slack demand for credit and high bad loss provisions.

Spanish electrical utilities' results hit by devaluations

By Tom Burns in Madrid

SPAIN'S second-tier electrical utilities reported lower results yesterday, reflecting the impact of two devaluations of the peseta in the final quarter of last year.

Union Fenosa raised its group profits by just 1.7 per cent to Ptas19bn (\$161m) despite raising its sales by 6.5 per cent to Ptas30bn, Sevilla, which raised its sales by 6.6 per cent to Ptas24bn, dropped its consolidated income by 3.3 per cent to Ptas12.7bn, and Fecsa, which posted a 3.7 per cent fall in sales to Ptas20.6bn, registered

an 8.5 per cent fall in profits to Ptas15.4bn.

They were penalised by the peseta devaluations of 5 per cent and then of 6 per cent in September and November respectively last year. Union Fenosa holds 33 per cent of its debt in foreign currencies and the proportion at Sevilla and Fecsa is 27 per cent and 25 per cent respectively.

Earlier, Iberdrola, the Spanish electricity producer, posted a 7.5 per cent drop in pre-tax profits to Ptas75.5bn. The company, which has 31 per cent of its debt in foreign currencies, borrowed strongly in dollars

and yen and it registered a year-on-year Ptas50bn increase of its global debt at the end of last December.

In contrast, Endesa, Iberdrola's state-owned rival which has only 14 per cent of its debt in non-peseta denominations, posted net income of Ptas106.2bn, a 13.6 per cent increase on 1991, and raised its dividend by the same percentage to Ptas408 per share.

Endesa's profits were in line with those of previous years and could fuel plans by INI, the state industrial holding, to place part of the 76 per cent stake it holds in the utility.

Thomson-CSF, Shorts in missile deal

By William Dawkins in Paris

THOMSON-CSF, the French state-controlled defence electronics group, and Short Brothers, the Belfast aerospace subsidiary of Bombardier of Canada, yesterday agreed to join forces to make very short-range ground-to-air missiles.

This is the latest in a series of alliances by French defence contractors, but sparked anger from Matra Défense, France's main private sector defence electronics group, against which the Thomson-CSF-Shorts joint venture will compete.

Normally, the French defence industry avoids competing against itself, on national interest grounds. Thomson-CSF and Short Brothers will have an equal share in the venture, to be

called Shorts Missile Systems in the UK and Thomson Shorts Systèmes in France. It will have a FFrlbn (\$173m) annual turnover, representing one-fifth of the world market for this type of weapon, with a top range of 3km. The Sting, developed by General Dynamics, the US defence contractor, is the market leader, followed by the Mistral, made by Matra, with third place taken by Shorts Javelin and Starburst.

Thomson-CSF denied the venture would compete directly with Matra. The Mistral used an infra-red guidance system which made it suitable for use against heat-emitting targets such as jet fighters, while Shorts' missiles were laser guided, and so more suitable for cooler targets such as helicopters, said a Thomson-CSF official.

Shorts will make the missiles, while Thomson-CSF will produce the electronics and guidance systems. French group has used the same arrangement on its two other missile joint ventures, with Aerospatiale and Alenia, the French and Italian aerospace groups in medium range missiles, and with LTV, the US industrial group, in short range weapons.

Thomson-CSF's strategy is to concentrate on electronics said a spokeswoman.

Aerospatiale might buy a minority stake in this latest joint venture, although Shorts would in any event remain with a 50 per cent share. Shorts makes most of its own missile electronics and relies on a range of subcontractors for the rest, said a spokesman for the UK group.

Chief executive leaves Tate & Lyle

By Maggie Urry in London

MR Stephen Brown yesterday left Tate & Lyle, the UK sugar and sweeteners group where he was chief executive. Mr Brown joined the company only in April 1991 as group managing director. He became chief executive last April when Mr Neil Shaw split the roles of chairman and chief executive.

Tate also announced a number of board changes. The shares fell 3p to 434p. Analysts said Mr Brown's sudden departure was embarrassing for Tate and for Mr Shaw personally, and raised questions about management succession at Tate.

Mr Brown's original appointment had suggested Tate could not find a successor to Mr Shaw internally. Mr "Red" Wilson, who had run the group's North American businesses and had been seen as a possible successor, left in 1989, although he remains a non-executive director.

Mr Shaw said he planned to stay for at least two years and there would be then "a lot of candidates" to succeed him.

He said there had been differences over management style and Mr Brown "didn't fit in". There had been "no big scenes" but both sides agreed that it "wasn't working".

Lex, Page 16

COMPANY NEWS IN BRIEF

AHLSTROM, the Finnish forestry and machinery group, saw pre-tax losses fall to FM36m (\$6m) last year from FM191m in 1991, writes Christopher Brown-Kimes.

The improvement came as sales grew 22.5 per cent to FM10.15bn and the operating margin rose to FM1.02bn from FM0.6m.

Ahlstrom said its machinery division booked a record number of new orders in 1992, with business particularly strong in North America.

● The Julius Beer Swiss private banking group is looking for double-digit profit growth again in 1993, Mr Hans Beer, the chief executive, said yesterday, writes Ian Rodger in Zurich.

The group's net profit jumped 15 per cent last year to SF68m (\$44.6m), driven mainly by a 27 per cent rise in commissions from asset and portfolio management.

Business growth was particularly strong outside Switzerland, and the group revealed that 35 per cent of its profits came from outside the country, up from 25 per cent in 1991. Funds under management rose 11 per cent to SF933bn.

● Consolidated pre-tax profits at Tabacalera, the state-owned Spanish tobacco monopoly, are understood to have fallen by

more than 13 per cent to Ptas18.9bn (\$161m) last year, despite a small 3.5 per cent pre-tax profit increase, to Ptas20bn, at the parent company itself, writes Peter Bruce in Madrid.

The group figures are understood to have been hit by poor results from the Philip Morris operation in Spain, in which Tabacalera has a 50 per cent stake, and by the incorporation of Elosua, the loss-making edible oils group, of which Tabacalera took control last year.

Unofficial figures have Tabacalera's 1992 group sales 7.6 per cent up at Ptas700.4bn. The group is a potential candidate for some form of privatisation later this year, and is also on the verge of selling its Royal Brands foods subsidiary.

● Group pre-tax profits at Viscofan, the fast-growing Spanish sausage casings producer, fell 72 per cent last year to Ptas1.01bn following big redundancy charges at its German subsidiary, Naturin, and enforced provisions to cover foreign currency debt after two peseta devaluations last year.

● Folketrygdfondet, Norway's national insurance scheme fund, one of the biggest institutional investors in the domestic securities market, yesterday reported an increase in unrealised losses on its share portfolio to NKR588m (\$83.97m), from

NKR158m in 1991, writes Karen Fossli in Oslo.

Last year, the fund was granted permission by authorities to increase investments in securities to 15 per cent of total assets from 10 per cent. Total assets at the end of last year rose to NKR66.75bn from NKR60.66bn in the same period a year earlier. The fund was also allowed to invest up to NKR5bn in state bonds and commercial paper.

● Z-Länderbank Bank Austria, Austria's largest bank, has denied charges in two magazines that it laundered money for two east Berlin firms, Novum and Transcarbon, between 1989 and last year, writes Ian Rodger.

According to Profl, an Austrian weekly magazine, and Der Spiegel, a German magazine, more than Sch3bn (\$259m) in commissions on orders was shifted between Bank Austria in Vienna and its Swiss subsidiary in Zurich.

"It is absolutely untrue that we have had anything to do with laundering," Mr Rene Alfons Halden, chief executive, said. The bank said investigations so far showed that the bank had respected all laws and regulations. The transactions were undertaken by authorised people on legitimate accounts that have existed for years, the bank said.

February, 1993



Deutsche Bau- und
Bodenbank AG

DM 500,000,000
Medium Term Note-Program

Arranger, Dealer, and Issuing Agent

Trinkaus & Burkhardt
Kommanditgesellschaft auf Aktien

New Zealand

£200,000,000

Floating Rate Notes 1997

In accordance with the provisions of the Notes, notice is hereby given that, for the three month period 26th February, 1993 to 26th May, 1993 the Notes will bear interest at the rate of 6 1/2 per cent. per annum. Coupon No. 31 will therefore be payable on 26th May, 1993 at £9.61 per coupon from Notes of £50,000 nominal and £7.96 per coupon from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd.
Agent Bank

3i International B.V.

(Formerly known as Investors in Industry International B.V.)

£125,000,000

GUARANTEED
FLOATING RATE NOTES 1994

FOR THE THREE MONTH PERIOD
26TH FEBRUARY, 1993 TO 26TH MAY, 1993

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 6 1/2 per cent. per annum and that the interest payable on the relevant interest payment date, 26th May, 1993 against Coupon No.22 will be £158.94 from Notes of £10,000 nominal and £15.89 from Notes of £1,000 nominal.

S.G. WARBURG & CO. LTD.
(Agent Bank)

Residential Property
Securities No. 1 PLC

£200,000,000

Mortgage Backed Floating Rate Notes 2018

The rate of interest for the three month period 26th February, 1993 to 26th May, 1993 has been fixed at 6.60 per cent. per annum. Coupon No. 20 will therefore be payable on 26th May, 1993 at £1,609.32 per coupon.

Aggregate interest changing balances of Mortgages redeemed during the previous Interest Period: £4,989,584.40

Aggregate interest changing balances of Mortgages redeemed as at 26th February, 1993: £205,599,485.17

The aggregate principal amount of Notes outstanding as at 26th February, 1993: £105,100,000

S.G. Warburg & Co. Ltd.

Agent Bank

To the holders of

Mortgage Capital Trust I

Collateralized Mortgage Obligations, Series A
Class A-1 Bonds Due 1st June, 2017

Notice is hereby given that the interest rate on the Class A-1 Bonds for the interest period 1st March, 1993 through 1st June, 1993 is 3.7875 per annum.

By: Bankers Trust Company, as Trustee.

One Chart Equals One Hundred Stories
From 5 chart libraries: UK, European and International Securities (P&F charts), Currency and FF or Commodity and FF (P&F - bar charts) for professional investors/traders and experienced chart readers - if that's you - call David Kelly or Susan Pigg for details - Tel: London 71 - 734 7174 (021 in UK) or fax 71 - 439 4986



Republic of the
Philippines

US\$5,313,000 Series 1992 A
Floating rate bonds 2010

The A Bonds will bear interest at 4.125% per annum for the period 1 March 1993 to 1 September 1993. Interest payable on 1 September 1993 per US\$1,000 note will amount to US\$21.08.

Agent: Morgan Guaranty
Trust Company

JPMorgan

CREDIT LOCAL DE
FRANCE - CAECL S.A.

U.S.\$2,000,000,000
Euro-Medium Term Notes
SERIES NO.12

FFC725,000,000 Inverse
floating rate notes 1996
TRANCHE NO.1

Notice is hereby given that for the interest period 1 March 1993 to 1 June 1993 the notes will bear interest at 11 1/2 per annum.

Agent: Morgan Guaranty
Trust Company

JPMorgan

NORDBANKEN
(FORMERLY FRANKFURT)

¥5,000,000,000
Floating Rate Notes Due 1993

Interest rate - 3.99%
Interest period from - 23.1.1993
to - 2.9.1993
Interest Amount per ¥100,000,000
nominal due 2.9.1993: ¥2,011,397

Agent Bank
The Long-Term Credit Bank
of Japan, Limited
Tokyo

Appointments
Advertising
appears every
Wednesday &
Thursday

Friday
(International edition
only)

CONTRACTS & TENDERS

PETROLEO BRASILEIRO S.A. - PETROBRAS
INTERNATIONAL COMPETITIVE BIDDING
BIDDING NOTICE NO 849-003/92

PETROLEO BRASILEIRO - PETROBRAS, has received a loan in various currencies equivalent to US\$ 260 million from the World Bank, and intends to apply a portion of the proceeds of this loan to the purchase of material and equipment for the construction, in Brazil, of the Paraná-Santa Catarina and Recôncavo-South of Bahia Pipelines.

This Bidding will be made under the guidelines of the World Bank and its purpose is the purchase of the following pipeline pumps in accordance with API-610 standard:

Booster:

a) 10 (ten) horizontal or can type vertical centrifugal pumps for light products and LPG, capacities from 140 to 385 m3/h, driven by induction electrical motors with an estimated power ranging from 34 to 96 kW.

Main pumps:

b) 13 (thirteen) horizontal pumps, serial operation, double seals, axial split casing, for light products and LPG, capacities from 140 to 385 m3/h driven by induction electrical motors with an estimated power ranging from 240 to 340 kW.

Bids will be received until 05/05/1993 at 3:00 PM.

Interested BIDDERS, from eligible countries members of the World Bank, Switzerland and Taiwan, China who have manufactured, at least (two) 2 of each one of the items with characteristics similar to those described above, besides complying with the other requirements provided in the Bidding Documents may obtain these Bidding Documents through the presentation of a bank deposit slip in the amount of a non-refundable fee of US\$ 300.00 (three hundred dollars), to be made at Banco do Brasil S.A. - Agência Centro - Rio de Janeiro (code 0001-9) current account no. 337.100-8 in the name of PETROBRAS/ADM. CENTRAL, or contact us at no expense at the following address:

PETROLEO BRASILEIRO S.A. - PETROBRAS
SERVIÇO DE MATERIAL - SERMAT
Av. República do Chile No. 65, 6th floor - room 662
CEP: 20035-900 - Rio de Janeiro - RJ - Brazil
Phone: (021) 534-1731 or 534-1745
FAX: (021) 534-3836 or 534-1745
Ref: EDITAL No. 849-003/92
Attn.: Coordenador da Comissão de Licitação

PETROLEO BRASILEIRO S.A. - PETROBRAS

INTERNATIONAL COMPETITIVE BIDDING

CHANGE NOTICE OF BIDDING NOTICES NO. 874.005/92

SCOPE: Purchase of horizontal and vertical centrifugal pumps and rotary pumps, for the construction of a hydrotreatment Process unit at Presidente Bernardes Refinery in Cubatão/Sp Brazil.

CHANGE IN THE FINANCIAL CAPABILITY OF THE BIDDER AND THE DEADLINE FOR SUBMISSION OF BIDS.

PETROBRAS informs that modified the text of the item 14.2.2 to:

1 - "To have net Worth, on the date of submission of the bid, of at least 10% (ten per cent) of bid value, however not less than US\$ 400,000.00 (four hundred thousand dollars)."

2 - In addition the deadline for submission of bids has been postponed to April 19, 1993, the address, time and procedures established in the Bidding Notices will remain unaltered

OFFICE EQUIPMENT

SYSTEMS FURNITURE

STOCKS TO CLEAR

75% OFF LIST PRICE

500 Grey/oak boxed desks

350 systems storage

cupboards

650 chairs many boxed

executive furniture

board tables

Tel: 081-743 2100

Fax: 081-749 9500

BUSINESS SERVICES

COMPANY

SEARCHES,

REPORTS &

INFORMATION

Instantly by Fax.

Credit Ratings, Directors

& Accounts, UK & Int.

Tel: 0254 822288

HARLEY STREET

BUSINESS CENTRE

Fully serviced offices,

business address,

boardroom, all secretarial

services plus free telephone

and message taking.

For further details

Phone: 071 637 5505

"green shoots"

About 600 Ltd fledglings start

trading monthly. They will buy

Pensions Insurance Printing

Copiers etc. For this unique

monthly list of company names

& working addresses, contact:

Mulberry House Ltd 9 Oakhill

Road London SW15 2QJ or

TEL: 081 875 0665

MANAGEMENT COMPANY

PROVIDING COMPLETE

SERVICE FROM LAND

ACQUISITION TO SALES

COMPLETION

Rail job cuts push CN to heavy loss

By Bernard Simon in Toronto

CANADIAN National Railways, the government-owned railway company, expects to report 1992 losses of over \$31bn (US\$500m), largely reflecting the cost of severance packages for about 11,000 workers. The previously announced job cuts, which will cut CN's workforce by a third, are due to be implemented over the next three years.

But Mr Paul Tellier, who recently took over as CN president, said the entire \$300m cost would be taken in the 1992 accounts. The company expects to pay workers an average of C\$80,000 each to entice them to give up contractual job security.

Both Canada's national rail companies, CN and Canadian Pacific, are in the throes of far-reaching retrenchment in an effort to improve their competitiveness against US railways and truck operators.

CP Rail has reported a 1992 loss of C\$343m, most due to restructuring charges, including the cost of reducing the size of train crews.

Mr Tellier predicted that CN would suffer a loss of about C\$70m for 1993 but would return to the black in 1994.

Besides the job cuts, CN and CP are anxious to accelerate rail network rationalisation.

Canadian Imperial Bank of Commerce is to restructure its operations in the Caribbean, Reuters reports from Toronto.

Under the first stage of the plan, which is still subject to regulatory approval, the bank will create two new companies in Barbados, to be named CIBC West Indies Holdings and CIBC Caribbean. It will sell and transfer its branches and trust unit in St Lucia, St Vincent and Antigua to CIBC Caribbean. CIBC Caribbean will be wholly owned by CIBC West Indies.

In the second stage, CIBC West Indies Holdings will offer shareholders of the Bank of Commerce Trinidad and Tobago the chance to swap their shares for those of CIBC West Indies Holdings.

Australian poll could unlock door to bank mergers

Kevin Brown analyses the prospects for financial services if John Hewson wins this month's elections

THE possibility of a conservative victory in Australia's federal election on March 13 raises the prospect of a radical shake-up of the troubled banking sector.

Mr John Hewson, leader of the opposition Liberal/National Party coalition, has yet to release a considered strategy for the financial services industry under a conservative government. But, as the coalition increases its lead in the opinion polls, attention is turning to the likely consequences of the defeat of the decade-old Labor government, now led by Mr Paul Keating.

The impact of a conservative victory would be felt first by the four trading banks - National Australia Bank (NAB), Westpac, ANZ and Commonwealth - and the two big life insurance institutions, AMP Society and National Mutual.

Merger negotiations between the big six have been hampered since 1990, when Mr Keating, the then treasurer (finance minister) unexpectedly blocked a proposed merger between ANZ and National Mutual.

Mr Keating's sought to prevent a diminution of competition within and between the bank and insurance sectors. However, Mr Hewson and Mr Peter Reith, the opposition's candidate for treasurer, have promised that merger proposals would be considered "on their merits".

Officials say Mr Hewson believes a merger might strengthen competition by reducing the substantial differences in the financial strength of the banks.

Westpac and ANZ have sustained heavy losses since 1990 on loans secured against commercial property in the late 1980s, when both banks gave a higher priority to rapid asset growth than to credit control.

By contrast, NAB has benefited from its more conservative policy of lending against cash-flow and largely eschewing the risky corporate lending market in favour of housing loans.

Mr Don Argus, NAB managing director, has publicly played down prospects of a takeover offer, claiming the bank is fully occupied in digesting its recent A\$1.1bn (US\$763m) takeover of the Bank of New Zealand.

However, he is known to have looked closely at the merits of a bid for either Westpac or ANZ. A management committee is believed to be working on details of a bid.

Analysts say NAB is likely to be most interested in ANZ, which wrote off A\$1.9bn against bad and doubtful debts last year, but is widely believed to be on the road to recovery.



John Hewson: will consider merits of banking merger proposals

Westpac wrote off A\$2.6bn last year, but Mr John Uhrig, chairman, has said the bank's troubles may not be over. Mr Robert Jones, the chief executive recruited last month from Wells Fargo, is supervising a property review which may force further provisioning.

Meanwhile, National Mutual has indicated it is still interested in merging with one of the banks to gain access to a retail branch network, which offers a cost-effective means of marketing life policies.

Such a merger would give

the bank involved greater access to Australia's growing market in compulsory superannuation contributions, which is emerging as the biggest growth area in financial services.

It might also provide an escape hatch for one of the weaker banks, probably ANZ, which had reached an advanced stage in negotiations with National Mutual when Mr Keating stepped in in 1990.

Westpac and AMP have a more limited marketing arrangement which might also provide a basis for a merger or

close defensive alliance. AMP owns 15 per cent of Westpac, and the two groups share a number of directors.

An incoming conservative government could drop the ban on mergers without legislation, but a bid by any of the big six might be opposed by the Trades Practices Commission, the competition regulator.

The TFC can block mergers if it believes they would lead to "a substantial lessening of competition". The commission has not yet decided how this test would apply to the banks.

Mr Bernie Fraser, governor of the Reserve Bank of Australia (RBA), told a parliamentary banking inquiry last year he would not object to a banking merger on grounds of prudential supervision.

Commonwealth has a strong balance sheet and the largest share of the loans and acceptances market. But it is unlikely to play much part in the rationalisation of the banking sector until after full privatisation, which could take some time.

The quoted banking sector will be expanded during the three-year term of the next parliament by the sale of state-owned banks in South Australia, Western Australia and New South Wales.

The coalition has also suggested during campaigning that it would set up an inquiry into the system of prudential supervision, described by Mr Hewson as "haphazard".

The inquiry would probably focus on the division of responsibilities between the RBA, which supervises the trading banks, and the state governments, which regulate building societies.

But it could be widened to review the roles of the Insurance and Superannuation Commission, which oversees the life offices, the Australian Securities Commission, the main corporate regulator, and the Australian Stock Exchange.

Worldwide demand lifts Levi Strauss to new highs

By Louise Kehoe in San Francisco

LEVI STRAUSS, the San Francisco-based clothing manufacturer, reported record sales and earnings for 1992 and became the first apparel company to exceed \$5bn in annual sales.

The company said worldwide consumer demand for its denim jeans and US demand for its casual clothing lines were strong.

Levi Strauss Associates, the privately-held parent company of Levi Strauss & Company, reported net sales for the year of \$5.6bn, a 14 per cent increase over the \$4.9bn in 1991.

Net income for the year was \$360.8m, up 1 per cent from \$356.6m, despite a \$158m pre-tax stock-option charge in the third quarter.

Excluding the charge, net income would have been approximately \$475.8m, an increase of 33 per cent over 1991, the company said.

Record revenues and unit sales, a lower effective tax rate and lower interest expenses contributed to the income rise, the company said.

"Our results are particularly gratifying during a period of economic uncertainty in many of the markets that we serve worldwide," said Mr George James, chief financial officer. For the fourth quarter of 1992, Levi unveiled net sales of \$1.6bn, which were up 15 per cent from the same period last year.

Chilean airline falls to \$1.17m

LAN CHILE, the Chilean airline in which Scandinavian Airlines System has a 35 per cent stake, said it had net profit of \$1.17m in 1992, Reuters reports from Santiago.

Profits were lower than the \$3.3m posted for 1991, but Lan said they were made "in the context of a deep crisis in the world aviation industry".

PWA plans rights issue to creditors and lessors

By Robert Gibbons in Montreal

PWA, parent of Canadian Airlines, has sent a revised restructuring plan to senior creditors and aircraft lessors which reduces the total payment of claims through the issue of rights to buy PWA common stock.

The prepayment would be reduced from C\$506m (US\$400m) to C\$422m.

Partly-secured creditors could also take prepayment in non-interest-bearing 10-year notes.

Holders of PWA subordinated debt, preferred and com-

mon stock, would also receive warrants to buy additional PWA stock.

As part of the restructuring, employees would invest the equivalent of C\$207m via pay concessions and AMR of the US would invest C\$246m in Canadian Airlines for a 25 per cent voting interest.

PWA said that if the revised plan were approved by the senior creditors, then it could resume paying interest and amounts due to lessors on April 30.

Payments were halted on all non-operating debt last November while the restructuring plan was worked out.

Dow Chemical plans to reduce headquarters staff

DOW CHEMICAL of the UN is planning to eliminate about 6 per cent of the jobs at its corporate headquarters, the company announced yesterday.

The group posted a \$488m loss for 1992, blaming a glut on the world chemical market and special charges relating to retiree healthcare benefits and income tax.

Dow said the costs of the worldwide cuts were covered by a \$430m charge the chemical company took against its fourth-quarter 1992 earnings.

Dow then said the charge

would cover asset write-offs and write-downs, plant shut-downs, divestitures and consolidations.

Between 225 and 275 jobs would be cut at the Michigan office, which employs about 4,000 people, said Mr Enrique Sosa, president of Dow Chemical's North American operations.

The company said the cuts resulted from a combination of factors including slumps in the aerospace, automotive and construction industries, coupled with increased global competition in a shrinking and depressed worldwide chemical market.

Brazil state ore producer advances to \$299.4m profit

By Bill in Hinchberger in Sao Paulo

COMPANHIA Vale do Rio Doce (CVRD), the state-controlled Brazilian mining company and a leading exporter of iron ore, unveiled profits of \$299.4m for 1992, against a 1991 earnings figure of \$251.9m.

Net sales were off slightly, to \$2.28bn from \$2.34bn in 1991.

This was due to a 4.9 per cent drop in mineral prices, and a 7 per cent decline in sales volume, said Mr Vitor Hallack, director of market relations.

He added that positive factors included a reduction in

the company's debt, to \$1.18bn from \$1.54bn in 1991, and cuts in personnel expenditures of about \$77m, owing to increased subcontracting of services.

Freios Varga, a leading Brazilian auto parts company, posted losses of \$4.4m last year, about half of the \$9.6m it lost in 1991.

The company blamed Brazil's economic and political instability, particularly high inflation and high interest rates.

Varga, which makes brakes and exports 35 per cent of its production, is completing the reorganisation of an Argentinian subsidiary, Frenos Varga.

FIDELITY INTERNATIONAL FUND

Société d'Investissement à Capital Variable
Kansallis House
Place de l'Etoile
L-1021 Luxembourg
R.C. Luxembourg B 24054

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY INTERNATIONAL FUND, a société d'investissement à capital variable organised under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11:00 a.m. on March 18, 1993, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended November 30, 1992.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Charles Fraser, Jean Hamillius and H. F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended November 30, 1992, and authorisation of the Board of Directors to declare additional dividends in respect of fiscal year 1992 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
8. Proposal, recommended by the Board of Directors, to amend Article 15 of the Fund's Articles of Incorporation to delete the specific limitations in the nature of investment safeguards set forth therein and to substitute more general language, in order that all of the Fund's investment safeguards may be determined by the Board of Directors in its discretion, subject to the requirements of Luxembourg law and regulation. Copies of Article 15 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
9. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Approval of item 8 of the agenda will require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting at which a majority of the outstanding shares must be present or represented; if a quorum is not present, then at a second session of the Meeting, approval of item 8 shall require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting with no minimum number of shares present or represented for a quorum. Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: February 18, 1993

BY ORDER OF THE BOARD OF DIRECTORS



	Time for delivery (days)	Price for delivery (pounds)	Price for delivery (pounds)	Price for delivery (pounds)
	Time for delivery (days)	Price for delivery (pounds)	Price for delivery (pounds)	Price for delivery (pounds)
1/2 Unit	0000	12.02	12.02	12.02
1/2 Unit	0001	12.02	12.02	12.02
1/2 Unit	0002	12.02	12.02	12.02
1/2 Unit	0003	12.02	12.02	12.02
1/2 Unit	0004	12.02	12.02	12.02
1/2 Unit	0005	12.02	12.02	12.02
1/2 Unit	0006	12.02	12.02	12.02
1/2 Unit	0007	12.02	12.02	12.02
1/2 Unit	0008	12.02	12.02	12.02
1/2 Unit	0009	12.02	12.02	12.02
1/2 Unit	0010	12.02	12.02	12.02
1/2 Unit	0011	12.02	12.02	12.02
1/2 Unit	0012	12.02	12.02	12.02
1/2 Unit	0013	12.02	12.02	12.02
1/2 Unit	0014	12.02	12.02	12.02
1/2 Unit	0015	12.02	12.02	12.02
1/2 Unit	0016	12.02	12.02	12.02
1/2 Unit	0017	12.02	12.02	12.02
1/2 Unit	0018	12.02	12.02	12.02
1/2 Unit	0019	12.02	12.02	12.02
1/2 Unit	0020	12.02	12.02	12.02
1/2 Unit	0021	12.02	12.02	12.02
1/2 Unit	0022	12.02	12.02	12.02
1/2 Unit	0023	12.02	12.02	12.02
1/2 Unit	0024	12.02	12.02	12.02
1/2 Unit	0025	12.02	12.02	12.02
1/2 Unit	0026	12.02	12.02	12.02
1/2 Unit	0027	12.02	12.02	12.02
1/2 Unit	0028	12.02	12.02	12.02
1/2 Unit	0029	12.02	12.02	12.02
1/2 Unit	0030	12.02	12.02	12.02
1/2 Unit	0031	12.02	12.02	12.02
1/2 Unit	0032	12.02	12.02	12.02
1/2 Unit	0033	12.02	12.02	12.02
1/2 Unit	0034	12.02	12.02	12.02
1/2 Unit	0035	12.02	12.02	12.02
1/2 Unit	0036	12.02	12.02	12.02
1/2 Unit	0037	12.02	12.02	12.02
1/2 Unit	0038	12.02	12.02	12.02
1/2 Unit	0039	12.02	12.02	12.02
1/2 Unit	0040	12.02	12.02	12.02
1/2 Unit	0041	12.02	12.02	12.02
1/2 Unit	0042	12.02	12.02	12.02
1/2 Unit	0043	12.02	12.02	12.02
1/2 Unit	0044	12.02	12.02	12.02
1/2 Unit	0045	12.02	12.02	12.02
1/2 Unit	0046	12.02	12.02	12.02
1/2 Unit	0047	12.02	12.02	12.02
1/2 Unit	0048	12.02	12.02	12.02
1/2 Unit	0049	12.02	12.02	12.02
1/2 Unit	0050	12.02	12.02	12.02
1/2 Unit	0051	12.02	12.02	12.02
1/2 Unit	0052	12.02	12.02	12.02
1/2 Unit	0053	12.02	12.02	12.02
1/2 Unit	0054	12.02	12.02	12.02
1/2 Unit	0055	12.02	12.02	12.02
1/2 Unit	0056	12.02	12.02	12.02
1/2 Unit	0057	12.02	12.02	12.02
1/2 Unit	0058	12.02	12.02	12.02
1/2 Unit	0059	12.02	12.02	12.02
1/2 Unit	0060	12.02	12.02	12.02
1/2 Unit	0061	12.02	12.02	12.02
1/2 Unit	0062	12.02	12.02	12.02
1/2 Unit	0063	12.02	12.02	12.02
1/2 Unit	0064	12.02	12.02	12.02
1/2 Unit	0065	12.02	12.02	12.02
1/2 Unit	0066	12.02	12.02	12.02
1/2 Unit	0067	12.02	12.02	12.02
1/2 Unit	0068	12.02	12.02	12.02
1/2 Unit	0069	12.02	12.02	12.02
1/2 Unit	0070	12.02	12.02	12.02
1/2 Unit	0071	12.02	12.02	12.02
1/2 Unit	0072	12.02	12.02	12.02
1/2 Unit	0073	12.02	12.02	12.02
1/2 Unit	0074	12.02	12.02	12.02
1/2 Unit	0075	12.02	12.02	12.02
1/2 Unit	0076	12.02	12.02	12.02
1/2 Unit	0077	12.02	12.02	12.02
1/2 Unit	0078	12.02	12.02	12.02
1/2 Unit	0079	12.02	12.02	12.02
1/2 Unit	0080	12.02	12.02	12.02
1/2 Unit	0081	12.02	12.02	12.02
1/2 Unit	0082	12.02	12.02	12.02
1/2 Unit	0083	12.02	12.02	12.02
1/2 Unit	0084	12.02	12.02	12.02
1/2 Unit	0085	12.02	12.02	12.02
1/2 Unit	0086	12.02	12.02	12.02
1/2 Unit	0087	12.02	12.02	12.02
1/2 Unit	0088	12.02	12.02	12.02
1/2 Unit	0089	12.02	12.02	12.02
1/2 Unit	0090	12.02	12.02	12.02
1/2 Unit	0091	12.02	12.02	12.02
1/2 Unit	0092	12.02	12.02	12.02
1/2 Unit	0093	12.02	12.02	12.02
1/2 Unit	0094	12.02	12.02	12.02
1/2 Unit	0095	12.02	12.02	12.02
1/2 Unit	0096	12.02	12.02	12.02
1/2 Unit	0097	12.02	12.02	12.02
1/2 Unit	0098	12.02	12.02	12.02
1/2 Unit	0099	12.02	12.02	12.02
1/2 Unit	0100	12.02	12.02	12.02

INTERNATIONAL COMPANIES AND FINANCE

Teva 36% ahead on back of US sales surge

By Hugh Carnegie in Jerusalem

TEVA, Israel's leading pharmaceutical manufacturer, reported net profits up 36 per cent to \$187.7m (\$17.7m) in 1992, due mainly to a surge in US sales which carried over from the first time.

Sales in the US, where Teva has been targeting growth for several years, rose by more than 30 per cent to account for some 35 per cent of total group sales of \$1.09bn, which in turn were up by 23 per cent. Total overseas sales reached \$1.56bn, reflecting Teva's strategy of growing beyond the limited local market and establishing itself as one of Israel's leading technology-based exporters.

The company said Teva's concentration on generic and prescription drugs through its own manufacturing and through Lemmon, its US subsidiary, had enabled it to sustain strong overseas growth despite the generally weak economic background throughout much of the year.

Teva, which is listed on Nasdaq in the US, has put much of its effort abroad into the more homogeneous US market. But it said it was now seeking to expand in Europe, which at present accounts for 10 per cent of sales. It has acquired companies in Italy and Germany, and said it is looking for further acquisitions to extend its penetration in Europe.

The inflation-adjusted results showed earnings per ordinary share at \$1.34, up from \$1.02 in 1991.

Green Cross, a Japanese pharmaceutical and blood products concern, posted a 69 per cent fall in consolidated net profits to ¥1.24bn (¥10.5m) from ¥2.97bn for the year to December. AP-DJ reports from Tokyo.

Sales rose 4.9 per cent to ¥106.6bn from ¥101.6bn, while pre-tax profits fell 15 per cent to ¥5.3bn from ¥6.2bn. Earnings per share fell 58 per cent to ¥5.99 from ¥14.85.

NEC predicts pre-tax loss of ¥40bn as demand slows

By Michio Nakamoto in Tokyo

NEC, the Japanese electronics group, revised downwards its results forecast for the year to March and expects to see a ¥40bn (\$44m) pre-tax loss for the group on a consolidated basis.

The revision comes after NEC announced in October a pre-tax profit forecast of ¥10bn. It reflects an unexpectedly depressed market for electronic products worldwide.

NEC now forecasts consolidated sales of ¥3,820bn, compared with a previous forecast of ¥3,780bn. A pre-tax loss of ¥40bn compares with a profit

of ¥51.4bn in the year to March 1992. For the parent company, NEC expects a 5 per cent drop in sales to ¥2,900bn and a pre-tax profit of ¥18bn, which represents a 77 per cent decline from the previous ¥40bn.

The company blamed the unexpectedly severe slowdown in domestic demand, particularly for electronic devices, for the revision of its results forecast. When NEC made its profit forecast in October, it had been expecting a customary seasonal rush of orders in the January to March period from corporations buying to use up their procurement budget. This year, however, that buying spree failed to materialise.

NEC has, like many Japanese semiconductor companies,

been hurt by a severely depressed market for memory chips and by weak prices, which lasted until the fourth quarter of last year. In 1992, NEC lost its position as the world's largest semiconductor manufacturer to Intel of the US, according to Dataquest, the market research group.

In its computer business, the company faces growing competition from US manufacturers in its home market where it has a 53 per cent market share.

For the fiscal year beginning in April, however, NEC expects overall revenues to increase by 4 to 5 per cent as the Japanese government's economic stimulus package and the recovery in the US market help to lift trading activity.

Robotics chief warns of tough 12 months

By Andrew Baxter

EUROPE'S \$600m robotics market is facing a tough year in 1993 because of the recession in Germany and reduced investment by the automotive sector, said Mr Bruce Potts, executive vice-president of Fanuc Robotics Europe.

But the market was likely to bounce back next year because of strong underlying demand for robots by European manufacturers keen to improve their productivity.

Mr Potts was speaking in Coventry at the unveiling by Fanuc Robotics, the world's largest robot producer, of its new series of robot control systems.

The controller is a key plank in Fanuc's strategy to broaden the use of robots in non-automotive markets. In Europe, for example, about 60 per cent of the installed base of 50,000 to 60,000 robots is used by the motor industry.

It is also an important element in Fanuc's strategy to become the market leader in Europe, where, said Mr Potts, it runs a "solid second" behind ABB Robotics.

In the past two years, the European robotics market has been relatively more resilient than other sectors of mechanical engineering.

Last year, the market was flat, with weakness in some countries offset by the effects of reunification in Germany, which accounts for about half the total market, and by car-makers' spending.

This year, said Mr Potts, the North American robot market will come out of recession and will be the best-performing of the major markets. The European market could fall from last year, but would still perform better than the recession-bound Japanese market.

Fanuc believes the new controller will have the same effect on the robot market as the "graphical user interface" had on personal computers by making the robot easier to understand for users in areas such as welding, mechanical handling and painting.

Wine export growth steadies SA Brewing earnings at midway

By Kevin Brown in Sydney

SA BREWING, the Australian food and industrial group, yesterday reported a 1.1 per cent increase in interim net profit to A\$43.8m (US\$33.7m) for the six months to the end of December.

The group said strong appliance sales, higher wine exports and lower interest costs offset poor results from beer and packaging operations. Sales increased by 7.3 per cent to A\$1.2bn.

Mr Ross Wilson, managing director, said the outlook for the second half "looks reasonably favourable".

Mr Wilson said wine exports were growing strongly. He forecast a significant increase in profits from the US following the rationalisation of the recently-acquired Mor-Flo water heater business.

The group's packaging margins came under pressure in the first half following the loss of a contract to supply cartons to Carlton and United Breweries, a subsidiary of Foster's Brewing Group.

The loss of the contract was reflected in the beverage and food division's reduced earnings before tax and interest, which fell to A\$36.8m, compared to A\$43.8m in the comparable period of the previous year.

The group said the lower contribution also reflected a fall of 6.3 per cent in the core South Australian beer market during the period, compared with a decline of 4.7 per cent in the national market.

SA Brewing said the contribution from the packaging division fell to A\$48.6m from A\$49.5m before tax and interest costs. The appliance division contributed A\$33.8m, compared with A\$39.8m.

Mr Wilson said the group's balance sheet was strong, and confirmed that the board had considered a number of potential acquisitions.

The directors declared an unchanged dividend of 7.75 cents a share, fully franked.

SA Brewing shares closed 4 cents higher at A\$3.43 on the Australian Stock Exchange.

Safren 18% lower in poor trading conditions

By Philip Gawth in Johannesburg

SAFREN, the South African shipping, leisure and freight handling group, recorded an 18 per cent drop in attributable earnings for the six months to the end of December as deteriorating trading conditions affected all its divisions.

Turnover rose marginally to R2.37bn (\$764m) from R2.31bn during the same period in 1991, but operating profit was 1 per cent lower at R334.6m compared with R337.8m. A sharp rise, however, in net interest paid - to R24.2m from R1m - and a decline in the share of associated companies' profits, which fell to R36.7m from R63.4m, caused attributable earnings to fall to R108.4m from R133.3m.

The interim dividend is being maintained at 65 cents per share despite earnings per share falling by 18.6 per cent to 202 cents from 248 cents.

Increased competition and the recession, both in South Africa and abroad, caused Safmarine, the shipping and transport subsidiary, to experience declining cargo volumes and reduced freight rates in its liner and bulk trades.

Increased depreciation and interest arising from large investments in new ships and containers also affected profit adversely. Safair, the freight carrier, suffered from the resurgence of hostilities in Angola, while Pilstar, the domestic airline, incurred substantial losses owing to overcapacity and predatory pricing on domestic routes.

Profits at Kersa, the leisure and entertainment arm, were lower due to difficult trading conditions, aggravated by construction work at its main resorts and competition from unregulated casinos. Rennie's, the freight handling group, benefited from its participation in a drought relief scheme in the region and lifted profits.

Safmarine, Rennie's and Kersa respectively contributed 22 per cent, 21 per cent and 56 per cent to Safren's attributable profit.

Comalco returns to the black

By Kevin Brown

COMALCO, the Australian aluminium manufacturer, yesterday reported net profits of A\$42.5m (US\$29.54m) after abnormal items for the year to December, compared with losses of A\$72.2m in the previous year.

However, net profits before abnormal items increased by a more modest A\$18m to A\$39.6m, largely as a result of a lower tax bill. The group warned that it expected "difficult" conditions to continue in the current year.

Comalco said the bottom-line result included an abnormal profit of A\$2.9m following a detailed review of asset values.

The 1991 result included an abnormal loss of A\$93.7m caused by a A\$200m provision against asset values offset by a transfer of A\$106.3m from the group superannuation fund.

Mr Nick Stump, chief executive, said sales volumes had been reduced by difficult trading conditions. However, the impact was offset by a more competitive exchange rate, which helped sales increase to A\$2.1bn from A\$2bn.

Comalco said an improved result from Commonwealth Aluminium, a US subsidiary, was largely offset by lower aluminium and alumina prices. Aluminium prices averaged A\$1.279 a tonne, compared with US\$1.333 in 1991. The

group said prices had averaged A\$1.227 this year.

No major improvements in price and demand are likely to occur before 1994, but the long-term outlook is sound as demand grows in the Asian economies and there is increased use of aluminium worldwide by the packaging and automobile industries, Comalco said.

The directors raised the final dividend to 3 cents, fully franked, from 2 cents in 1991, making a total dividend of 5 cents, compared with 4 cents. Comalco is 87 per cent owned by CRA, the Australian resources group, which is 49 per cent owned by RTZ of the UK.

North Broken Hill Peko up 24%

By Kevin Brown

NORTH Broken Hill Peko (North), the Australian resources group, has reported a 24 per cent increase in net profit to A\$62.3m (US\$66m) for the six months to the end of December.

However, the group said pre-tax profit fell by A\$25m to A\$113m, partly because of the cost of restructuring in the for-

estry and paper production divisions.

The improvement in net profit reflected a gain of A\$16.8m from the sale of shares and a reduction of A\$1.4m in net interest costs, which fell to A\$23.4m as a result of debt reduction and lower interest rates.

The board said second-half net profit should equal the first-half result, but warned

that earnings would be affected by lower iron ore prices and difficult trading conditions facing the forestry and paper businesses.

At the operating level, the group said three of its four divisions suffered falls in pre-tax earnings. Warman International, the mining pump manufacturer, reported a profit of 70 per cent to A\$14m. Sales fell 7 per cent to A\$751m.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, March 1, 1993. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY	ESTG	US\$	D-MARK	YEN (x100)	COUNTRY	ESTG	US\$	D-MARK	YEN (x100)
Albania (Albania)	99.25	68.9236	41.8778	38.1239	Gambia (Gambia)	12.1975	8.4704	5.1444	7.1434
Algeria (Algeria)	137.85	190.618	66.6033	92.445	Germany (D-Mark)	2.3700	1.0000	1.0000	1.0000
Andorra (Andorra)	137.85	190.618	66.6033	92.445	Ghana (Ghana)	1.0000	0.0000	0.0000	0.0000
Angola (Angola)	99.25	68.9236	41.8778	38.1239	Gibraltar (Gibraltar)	1.0000	0.0000	0.0000	0.0000
Argentina (Argentina)	99.25	68.9236	41.8778	38.1239	Guatemala (Guatemala)	222.274	136.053	187.452	187.452
Australia (Australia)	1.0000	1.0000	1.0000	1.0000	Honduras (Honduras)	222.274	136.053	187.452	187.452
Austria (Austria)	1.0000	1.0000	1.0000	1.0000	Hong Kong (Hong Kong)	1.0000	0.0000	0.0000	0.0000
Bahamas (Bahamas)	1.0000	1.0000	1.0000	1.0000	Hungary (Hungary)	1.0000	0.0000	0.0000	0.0000
Bahrain (Bahrain)	1.0000	1.0000	1.0000	1.0000	Iceland (Iceland)	93.9435	44.8202	34.6026	34.6026
Bangladesh (Bangladesh)	99.25	68.9236	41.8778	38.1239	India (India)	1.0000	0.0000	0.0000	0.0000
Belgium (Belgium)	1.0000	1.0000	1.0000	1.0000	Indonesia (Indonesia)	1.0000	0.0000	0.0000	0.0000
Belize (Belize)	1.0000	1.0000	1.0000	1.0000	Iran (Iran)	1.0000	0.0000	0.0000	0.0000
Bermuda (Bermuda)	1.0000	1.0000	1.0000	1.0000	Israel (Israel)	1.0000	0.0000	0.0000	0.0000
Bhutan (Bhutan)	1.0000	1.0000	1.0000	1.0000	Italy (Italy)	1.0000	0.0000	0.0000	0.0000
Bolivia (Bolivia)	1.0000	1.0000	1.0000	1.0000	Jamaica (Jamaica)	1.0000	0.0000	0.0000	0.0000
Bosnia (Bosnia)	1.0000	1.0000	1.0000	1.0000	Japan (Japan)	1.0000	0.0000	0.0000	0.0000
Brazil (Brazil)	1.0000	1.0000	1.0000	1.0000	Jordan (Jordan)	1.0000	0.0000	0.0000	0.0000
Bulgaria (Bulgaria)	1.0000	1.0000	1.0000	1.0000	Kazakhstan (Kazakhstan)	1.0000	0.0000	0.0000	0.0000
Burkina Faso (Burkina Faso)	1.0000	1.0000	1.0000	1.0000	Kenya (Kenya)	1.0000	0.0000	0.0000	0.0000
Burundi (Burundi)	1.0000	1.0000	1.0000	1.0000	Korea (Korea)	1.0000	0.0000	0.0000	0.0000
Cambodia (Cambodia)	1.0000	1.0000	1.0000	1.0000	Kuwait (Kuwait)	1.0000	0.0000	0.0000	0.0000
Cameroon (Cameroon)	1.0000	1.0000	1.0000	1.0000	Laos (Laos)	1.0000	0.0000	0.0000	0.0000
Canada (Canada)	1.0000	1.0000	1.0000	1.0000	Lebanon (Lebanon)	1.0000	0.0000	0.0000	0.0000
Cape Verde (Cape Verde)	1.0000	1.0000	1.0000	1.0000	Liberia (Liberia)	1.0000	0.0000	0.0000	0.0000
Cayman Is (Cayman Is)	1.0000	1.0000	1.0000	1.0000	Lithuania (Lithuania)	1.0000	0.0000	0.0000	0.0000
Central Air Rep (Central Air Rep)	1.0000	1.0000	1.0000	1.0000	Luxembourg (Luxembourg)	1.0000	0.0000	0.0000	0.0000
Chad (Chad)	1.0000	1.0000	1.0000	1.0000	Macao (Macao)	1.0000	0.0000	0.0000	0.0000
Chile (Chile)	1.0000	1.0000	1.0000	1.0000	Madagascar (Madagascar)	1.0000	0.0000	0.0000	0.0000
China (China)	1.0000	1.0000	1.0000	1.0000	Malawi (Malawi)	1.0000	0.0000	0.0000	0.0000
Colombia (Colombia)	1.0000	1.0000	1.0000	1.0000	Malaysia (Malaysia)	1.0000	0.0000	0.0000	0.0000
Costa Rica (Costa Rica)	1.0000	1.0000	1.0000	1.0000	Mexico (Mexico)	1.0000	0.0000	0.0000	0.0000
Cote d'Ivoire (Cote d'Ivoire)	1.0000	1.0000	1.0000	1.0000	Moldova (Moldova)	1.0000	0.0000	0.0000	0.0000
Croatia (Croatia)	1.0000	1.0000	1.0000	1.0000	Monaco (Monaco)	1.0000	0.0000	0.0000	0.0000
Cuba (Cuba)	1.0000	1.0000	1.0000	1.0000	Morocco (Morocco)	1.0000	0.0000	0.0000	0.0000
Cyprus (Cyprus)	1.0000	1.0000	1.0000	1.0000	Mozambique (Mozambique)	1.0000	0.0000	0.0000	0.0000
Czech Rep (Czech Rep)	1.0000	1.0000	1.0000	1.0000	Nepal (Nepal)	1.0000	0.0000	0.0000	0.0000
Denmark (Denmark)	1.0000	1.0000	1.0000	1.0000	Netherlands (Netherlands)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	New Zealand (New Zealand)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Nigeria (Nigeria)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	North Macedonia (North Macedonia)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Norway (Norway)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Oman (Oman)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Pakistan (Pakistan)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Panama (Panama)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Paraguay (Paraguay)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Peru (Peru)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Philippines (Philippines)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Pitcairn Is (Pitcairn Is)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Poland (Poland)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Portugal (Portugal)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Puerto Rico (Puerto Rico)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Qatar (Qatar)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Romania (Romania)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Russia (Russia)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Saudi Arabia (Saudi Arabia)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Senegal (Senegal)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Sierra Leone (Sierra Leone)	1.0000	0.0000	0.0000	0.0000
Dominican Rep (Dominican Rep)	1.0000	1.0000	1.0000	1.0000	Singapore (Singapore)	1.0000	0.0000	0.0000	0.0000

COMPANY NEWS: UK AND IRELAND

US group denies interest in Greencore

By Peggy Hollinger

ARCHER-Daniels-Midlands, the US agribusiness group, yesterday quashed speculation that it planned to take a stake in Greencore, the Irish sugar and foods group which is 30 per cent owned by the government.

Mr Dwayne Andreas, chairman of Illinois-based ADM, said yesterday that the group had been approached a month ago with a view to buying the Irish government's stake. However, the terms and conditions offered had been unacceptable. "There did not seem to be any way to reach agreement," he said. There had been no further contact.

Speculation surrounding the fate of the government's stake - the legacy of the group's privatisation in 1991 - resulted in the suspension of Greencore shares at 245p yesterday.

The company said the shares would be suspended for 48 hours pending clarification of

the government's position on the future of its holding.

The cabinet is expected to make a statement this morning. In the budget speech last month, the government said it intended to raise £150m in 12 months through the disposal of state assets - believed to be the Greencore holding and a 45 per cent stake in Irish Life.

The company is believed to have held discussions with the potential investor, and it is thought unlikely a full bid would result. The government holds a golden share, and is likely to expect undertakings on certain issues such as employment and the maintaining of Ireland's sugar quota.

Possible investors include Conagra and Cargill, both of the US. Reports cited an offer price of 265m for the stake, or 260p per share. The government is unlikely to accept such a price, however, having decided to suspend 15 per cent of Greencore last year at 265p.

Analysts speculated that an offer pitched at between 270p and 275p would succeed.

ADM, known to be keen to expand in Europe, was widely favoured as the most likely purchaser of the stake. ADM already owns 7.4 per cent of Tate & Lyle.

It was also noted that Mr Gerry Murphy, Greencore's chief executive, is known to ADM. He was formerly a senior executive of Grand Metropolitan's Pillsbury operations in the US, which has a joint venture with ADM in flour milling.

Analysts in Dublin said they would welcome the sale of the government's stake. "It would preclude Greencore fund raising in Dublin and bring at least 265m into the exchequer," said Mr Joe Gill, an analyst with Dublin brokers, Hildes.

Mr Gill said speculation that Greencore would have to come to the market for funds had helped to depress the share price in recent weeks.

Trafalgar to press on with cash call

By Roland Rudd

TRAFALGAR House is to proceed with its rights issue after winning support from small shareholders at yesterday's extraordinary meeting.

The engineering, construction and shipping group already had more than 274m proxy votes, mainly from institutional investors, in favour of its £204.5m cash call with only 800,333 against.

Directors were visibly relieved that small shareholders, after voicing criticism of the management, voted overwhelmingly in favour of the 1-for-2 rights issue at 66p.

Small shareholders voted at the recent annual meeting against reappointing Touche Ross, the auditors, after 1991 results were restated.

Although institutional investors voted in favour of retaining the auditors, Trafalgar said it would look at the question later this year.

Small shareholders yesterday asked whether the £120m of exceptional losses and write-downs which may be required in the year to end-September would be the last word on the subject.

The warning of further write-downs followed the decision to announce substantial write-downs for 1992.

Mr Alan Clements, chairman, said: "I cannot say that this is the last final word on the subject."

The rights issue proceeds will be used to repay borrowings. Mr Clements said it would take the pressure off the group to make quick disposals.

The group has said it wants to sell its hotels, which include the Ritz and the Stafford.

Mr Clements said there were no plans to change the group's advisers, which include Kleinwort Benson and UBS Phillips & Drew, or to make further changes to the board. Other than those already announced.

He accepted that non-executive directors, who include Mr Tony Ryan, chairman of GPA, the aircraft leasing company, and Mr David Howell, Conservative MP, "did not realise early on enough the problems facing the company". Mr Clements is non-executive chairman.



MR NEIL Shaw, right, chairman of Tate & Lyle, the sugars and sweeteners group, who is adding "executive" to his title, and Mr Stephen Brown, chief executive, who yesterday left the group after less than two years following "differences in management style", writes Maggie Urry.

Mr Shaw said that he would be easing out of some of his outside interests. Mr Paul Lewis will become deputy chairman as well as finance director.

Mr Shaw said he did not expect his role to change. Instead of a single chief executive reporting to him there would be four people. These four, with Mr Shaw and Mr Lewis, will form the group's executive management committee.

The four, all in their 40s, are likely to be contenders to succeed Mr Shaw, who is 63.

They are:

● Mr Paul Mirsky, 46, who is joining the board and will add the North American sugar business to his role running the Australian

activities. He was described by one analyst as the "even money favourite".

● Mr John Walker, 48, also joining the board and becoming managing director of the European sugar business. He already runs the UK sugar operation.

● Mr Stuart Stratford, 41, not a board member but to become managing director of the international division.

● Mr Larry Pillard, 45, also not a main board director. He joined the group last year to head the problematic AE Staley corn wet

milling business in the US.

Mr Shaw said a new remuneration and appointments committee comprising non-executive directors would be formed. This would

"have very strong control over me, the board and the senior management of the company".

Mr Murray McEwen, currently managing director of the North American sugar division is retiring on April 1.

Brabant returns to the black

By Peggy Hollinger

BRABANT Resources, the oil and gas explorer being stalked by fellow USM company Aberdeen Petroleum, yesterday announced a return to the black with profits of £266,000 for the year to December 31.

The turnaround, which compared with a loss of £4.8m last time, was struck on sales 86 per cent higher at £5.4m. The improvement was largely due to the acquisition of producing

assets from Monument Oil & Gas in the second half.

Brabant said it had increased average net oil production during the year by 32 per cent to 1,786 barrels per day. The Monument acquisition had left it well placed to fund future exploration, the company said.

Brabant could "rely on internally generated funds to support its exploration and development programme for the foreseeable future".

Mr Malcolm Butler, managing director, said the group

could now begin exploring its own prospects, as opposed to ones dictated by obligations such as those arising through acquisitions. A substantial drilling programme, to be funded through cash flow, was planned for 1994. It was unlikely that the company would seek investment from shareholders for this programme.

Any payment of a dividend would depend on exploration success - as in previous years there is again no pay-out.

Ashcroft company problems

By Chris Tighe

MR JOHN ASHCROFT, former Coleridge group chairman, confirmed yesterday that Survival Aids, the outdoor clothing company which was his first acquisition following Coleridge's collapse with debts of about £350m, is having problems over refinancing.

Mr Ashcroft, chairman of the Cumbria-based company, declined to elaborate. He said rumours that receivers had been called in were incorrect. "The refinancing had been agreed but there was a bit of trouble," he said. It had not yet been completely sorted out, he added.

In January, Mr Ashcroft said he had not been happy with Survival Aids' payment situation and was nervous about trading prospects this year.

Last month, he stepped down as managing director making way for Mr Hugh Lapham, a former B&Q director.

Breathing space for Control

By Maggie Urry

HOLDERS of Control Securities' two Swiss franc bond issues agreed yesterday to defer interest payments until June 1.

They also waived the right to declare the bonds in default until the same date by which time further meetings will be held.

Control, the property, brewing and leisure group, is in the middle of a financial restructuring which is taking longer to complete than originally hoped. The company recently revealed a deficit on shareholders' funds of £31.3m.

Shareholders have been asked to a meeting on March 17 to authorize continued discussions while the banks have repeatedly renewed a standstill agreement.

● The group has exchanged contracts for the sale for £2.44m of a housing estate at Saxmundham, Suffolk.

Grafton ahead 9% to £3.87m

GRAFTON GROUP, the Dublin-based builders' merchant and DIY concern, reported a 9 per cent advance in pre-tax profits from £3.56m to £3.87m (£3.96m) in the year to end-December.

The outcome was achieved on turnover up by £1.98m to £96.4m.

Mr Michael Chadwick, chairman, said that trading during the nine months to September had been strong but the impact of lower construction activity, as a result of higher interest rates and reduced confidence, had been felt in the last quarter.

However, the overall financial position remained healthy, he added, with cash of £12.6m being generated during the year. Gearing was cut from 31 per cent to 22 per cent.

Earnings per share worked through at 18.6p (£1.1p). A maintained final dividend of 3.75p raises the total for the year to 5.6p (£2.5p).

Stakis justifies £90,000 payment

By James Buxton

STAKIS, the hotels and casinos group where the corporate rescue specialist Sir Lewis Robertson is chairman, paid £90,000 to Mr David Michaels, its chief executive, when he joined the company in December 1991.

This emerged yesterday from Stakis's report for the year to September 30 1992.

Mr Michaels was paid a total of £238,000 in the 1992 financial year. At the time he joined the company it was about to report a loss of £47.4m.

Stakis said it had been necessary to offer Mr Michaels special inducements to leave a secure and well paid job at Hilton UK, where he was deputy chairman and managing director.

Directors now felt that, with Stakis back in profit, Mr Michaels' extra remuneration had been well justified.

French Property Tst

The net asset value per share of French Property Trust stood at 73.25p at December 31, against 68.31p six months earlier. The year end has been changed to end-December with comparatives based on the six months to June 30.

Net revenue for the period was £246,138 (£132,788). Earnings per share were 0.98p (£0.53p). A final dividend of 1.3p is proposed making 2.3p for the period to December 31.

WOOLWICH BUILDING SOCIETY

£275,000,000

Floating Rate Loan

Notes Due 1995 ("The Notes")

(Comprising £200,000,000 Floating Rate Loan Notes due 1995 issued in November 1992 (the "Original Loan Notes") and a further £75,000,000 Floating Rate Loan Notes due 1995 issued on 30th June 1992 (consolidated and forming a single series therewith)).

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 26th February 1993 to (but excluding) 26th May 1993, the Notes will carry a rate of interest of 6% per annum.

The relevant interest payment date will be 26th May 1993. The coupon amount per £100,000 Note will be £153.92 payable against surrender of Coupon No. 29.

Hambros Bank Limited Agent Bank

BRADFORD & BINGLEY BUILDING SOCIETY

£150,000,000

Floating Rate Notes

Due 1994

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 26th February 1993 to (but excluding) 26th May 1993, the Notes will carry a rate of interest of 6% per annum.

The relevant interest payment date will be 26th May 1993. The coupon amount per £100,000 Note will be £157.38 payable against surrender of Coupon No. 16.

Hambros Bank Limited Agent Bank

SmithKline Beecham PLC

Floating Rate Unsecured Loan Stock

1990/2010

Interest Rate 5.8125% per annum

Interest Period 1 March 1993 to 1 June 1993

Midland Bank plc Agent Bank

Quality Software seeks quote

By Andrew Adonis

QUALITY SOFTWARE Products, a small computer software company based in Gateshead, plans to seek a stock exchange listing later this month.

It wants to raise between £25m and £10m to fund expansion.

Formed in 1981, the company is a leading UK accounting software supplier.

Mr Alan Marsden, chairman, said the listing would enable Quality Software to develop a new product line - Universal Ocas - and engage in joint products "with a large number of companies which have expressed interest."

Pre-tax profits for 1992 were expected to be £1.8m (£1.5m in 1991), before £600,000 of exceptional costs, on turnover of £13.1m (£11.1m).

The company is expected to be valued at about £25m.

It currently has some 130 customers, mostly large.

Holliday Chemical gets £150m price tag

By Richard Gourlay

HOLLIDAY Chemical Holdings is to raise about £70m through the largest flotation yet this year, valuing the synthetic dyestuffs and specialty chemicals company at about £150m.

Mr Michael Peagram, founder, chairman and largest single shareholder, said the company decided to increase by £5m to £265m the amount it will raise to reduce debt.

This followed some concerns in the City that the company would be saddling itself with a balance sheet that was unnecessarily highly geared.

Raising this amount of capital would lead to gearing of about 34 per cent, on a pro-forma basis at the end of 1992, and interest nine times covered by operating profits.

Holliday is coming to the market through a firm placing of 75 per cent of the shares; the balance will be available through public offer.

The issue will be priced on March 25; applications will be accepted until April 1 and

dealing will begin on April 14.

The venture capitalists who backed the original buy-out of Holliday from Holliday Dyes and Chemicals in 1987, will be selling about half of their overall shareholding.

Holliday's earnings per share have increased from 4.4p in 1988 to 9.7p last year. Sales last year rose by £26.2m to £57m and operating profit by £5m to £14m.

Mr Peagram said he was comfortable with the higher level of gearing - he had been used to running a company financed largely by venture capital when interest cover was as low as three times.

The balance of comment from the City had, however, been "why not raise £5m more" to reduce pro-forma gearing from about 46 per cent, the company said.

Mr Peagram said the group was intent on growing organically but that in the medium term there would be further cash calls to fund acquisitions.

Rowland's salary rises despite 'difficult' year

By Roland Rudd

MR TINY Rowland's salary and emoluments rose from £1.8m to £1.65m in the year to September 1992, according to

Lourbro's annual report which was published yesterday.

Mr Rowland, joint chief executive of the international trading group, saw his salary rise by £48,401 in a year in which the group's pre-tax profits fell from £205m to £20m.

In his message to shareholders Mr Rowland said: "This past year has been the most difficult in your company's financial history."

Lourbro said Mr Rowland's overall pay included his remuneration as chairman, which he briefly took over when Sir Edward du Cann resigned, as well as expense allowances and benefits in kind.

The annual report also shows that a significant amount of borrowings have become secured. Some £140m (£54m) of long-term loans are secured. Of the short-term loans £20m (£22m) is secured.

Regal Hotel buy

Regal Hotel Group has confirmed agreements to purchase Catermax and Poundmount for an aggregate £500,000, satisfied by the issue of 84.2m ordinary shares and 578,777 of convertible loan stock.

Suter takes stake in Wilkes

By Angus Foster

SUTER, the conglomerate chaired by Mr David Abell, has taken a 8.9 per cent stake in James Wilkes, the engineer which last year fought off a hostile bid from Petrocon.

Suter said it bought the shares for "investment purposes" and had not decided what further action to take. A decision is "not imminent", a company adviser said.

Wilkes's shares, which had fallen from a high last year of 190p to 48p, yesterday jumped 18p to 66p on takeover speculation.

The company refused to comment until Suter's intentions "become clearer".

Suter is renowned for taking small stakes in companies and not necessarily making a bid. Last year it built up a 7.4 per cent stake in Brown & Tawse, the steel and pipeline group, again insisting the stake was for investment purposes.

Yesterday's move is Suter's first since publication in January of a DTI report on share dealings by Suter and Mr Abell in the mid 1980s.

The report found no evidence that these and other parties acted in concert, but strongly criticised Mr Abell and questioned the timing of his private share purchases in Suter's bid targets. Last month Suter announced Mr Abell had been cleared of insider dealing by the DTI.

Petrocon's all-share bid valued Wilkes at about £35m. Since then, Wilkes's shares have tumbled, partly because of an interim loss announced in October. The company's market capitalisation, before Suter started building its stake, was only about £8m.

Acquisitions help Lillleshall advance



John Leek: gearing budgeted to reduce as more stocks are taken out of the business

By Catherine Millon

LILLESHELL, the industrial distribution and building products group, lifted pre-tax profits by 30 per cent, from £2.4m to £3.1m, in the year to December 31 1992.

The rise was mainly due to the acquisition in January 1992 of Crystalware Products, the plastic housewares and garden products manufacturer, and the purchase of Bradgrange Packaging in February.

The shares closed up 3p at 133p. Lillleshall's stock, which had fallen below 100p, has been climbing since late December.

Barlow Fastener Centres was acquired too late in the year to affect profits. The acquisitions brought gearing to 33 per cent by the year end on net assets marginally lower at £12.1m (£13.5m).

Currency movements on the group's French franc borrowings also increased gearing and pushed interest payments from £33,000 in 1991 to £239,000 in 1992.

Mr John Leek, chairman, said that since the year end gearing had reached 40 per cent but was budgeted to come down as more stocks were taken out of the business, especially from industrial consumables which it said was overstocked.

Group turnover rose from £36.7m to £52.1m and a final dividend of 2.65p was proposed, making a total of 4.25p for the year (4p). Fully diluted earnings per share rose 15 per cent from 8.5p to 9.8p.

The building products division recorded a small drop in operating profits from £2.5m to £2.2m. The plastics and engineering division produced higher operating profits of £1.88m (£446,000) with most of the increase from the Crystalware acquisition. The group recorded reduced losses on industrial consumables of £461,000 (£628,000).

There was an exceptional gain of £81,000, masking a £522,000 provision against stocks following reforecasting of the fastener division. This was offset by gains including £230,000 proceeds from litigation and a £202,000 release of pension provisions.

These were released because the company closed its defined benefits pension scheme (which relates pension income to final earnings) and invited all employees to join a contracted out scheme. The group does not expect to pay out less as a proportion of gross income but said the move had been prompted by possible changes in pensions law.

ASW incurs £10.8m deficit

By Andrew Adonis

CONTINUED PRESSURE on margins pushed ASW Holdings, the Cardiff-based steel and wire group, deep into the red last year, but the shares yesterday jumped 20p to 153p amid expectations of an upturn in steel prices.

The pre-tax deficit of £10.8m for 1992, struck after restructuring costs of £4.6m, compared with a profit of £2.3m.

The operating loss for the second half of 1992 was virtually the same as that for the first six months.

Turnover fell 6 per cent to £367.8m (£390.7m). Losses per share were 16.2p (1.9p).

The recommended final dividend is 3p, making 6p (5p) for the year.

Net borrowings were £17.2m, with gearing at the year end of 14.5 per cent.

Mr Alan Cox, chief executive, said "abnormally low prices", at below 1992 levels, caused the poor outcome.

Nevertheless the group maintained volumes and made a profit on its basic steel operations.

"We remain one of the lowest cost producers in Europe, and have again improved our cost base."

"Last year prices were reaching loss-making proportions across Europe; now they are recovering, and I expect to see a real improvement in results for the next half," he added.

With scrap prices up to about £70 a tonne from £53 at the start of the year, analysts estimated that margins for scrap-based products were improving markedly. Prices for other products - like wire rod and reinforcement bar in coil and length - were also rising.

COMMENT

ASW's reputation as a low cost producer remains unimpaired despite yesterday's results, but with 40 per cent of its business on the Continent, in the immediate future it needs a recovery in European steel prices more than Mr Lamont's green shoots.

That recovery appears to be under way. The question remains, is it enough, and will it be sustained? Regarding the state of Europe's steel industry, and the nervousness of the Commission in tackling state aids in their numerous guises, it is hard to be confident on either front.

But with analysts predicting a 1993 profit of £12m pre-tax, and a prospective multiple of 15, things are looking up in the short-term future.

Restructuring plans halve Beauford shares

By Nigel Clark

SHARES IN Beauford, the manufacturer of material handling equipment and machine tools, halved to 7p yesterday after the announcement of a capital reorganisation.

The company is proposing to split its 10p ordinary shares into one 1p ordinary and nine 1p deferred shares. The 7p convertible preference shares will be converted into four ordinary and six deferred shares and all arrears of the preference dividend will be eliminated.

The deferred are considered valueless and application to cancel them will be made as soon as possible.

The plans would leave preference holders with 88.9 per cent of the new capital as against 44.2 per cent under the existing conversion rights.

Beauford warned that without the restructuring there would be limited scope for future development.

The company reported losses in 1991 and the first half of 1992. In September 1992, after the sale of its interest in EW

Ellis, borrowings were £13.8m against net assets of £7.3m. By the end of the year borrowings had fallen to £11.7m but the company expected to have to make substantial write-downs in the value of its assets and make provision for restructuring costs in the accounts for the year.

Gearing is considered too high and a debt reduction plan in conjunction with the company's banks is being pursued. It has not paid preference dividends since July 1991, leaving arrears at January 1 of £1.9m, or ordinary dividends since November 1991.

Taking into account the trading and financial position the board thinks that there is no prospect of paying the arrears or resuming dividend payments of the preferential shares in the foreseeable future.

In addition, the ability to redeem the preference shares by July 1 2008 would require an extraordinary and sustained performance throughout the period to redemption.

Fragile reappearance of customer confidence

Flames of hope spark sharp rally in share prices of leading motor companies. Jane Fuller reports

ONE OF the purest recovery plays in the stock market is the motor trade. Car dealers proved particularly vulnerable to high interest rates, which raised their financing costs and reduced custom. Now that "double whammy" has flipped into reverse.

Share prices of the leading quoted groups have outperformed the market by nearly 40 per cent over the past three months - the flames of hope fanned by the revival of interest in smaller, UK-orientated, companies.

This year sales of new cars are forecast to rise by about 7 per cent to 1.7m. It would reverse a trend which has seen the market fall from a record 2.2m in 1989 to less than 1.6m in both 1991 and 1992.

The picture also looks better for used cars as the lower levels of new car sales feed through into a shortage of quality second-hand ones.

If firmer demand can be used to improve profit margins from the niggardly 1 to 3 per cent brought about by widespread discounting, bottom lines could revive quite rapidly.

However, most of these rosy factors are for the future. Few of the motor traders due to report 1992 results over the next few weeks will show a rebound in their figures.

Two exceptions are T Cowie and Lex Service.

Cowie, which has a substantial fleet leasing operation - and hence substantial debt - went through the fire in 1990 when pre-tax profit fell to £8m. Interest costs soared to £44.6m and the dividend was cut.

Profit is estimated to have recovered to £23m last year -

not far short of the £25.8m peak recorded in 1988.

Lex, which slumped to £500,000 pre-tax in 1991 and cut the dividend, is expected to have bounced back to £25m.

The group's exit from electronic components has proved highly profitable through a residual investment in Arrow of the US. Payments from Volvo to end an import agreement have cleared debts and allowed the £46m purchase of Swan National to boost the dealership network.

While these two put most of their troubles behind them, one or two others - such as Pendragon and Reg Vardy - have limited the recessionary damage and enhanced their managerial reputations.

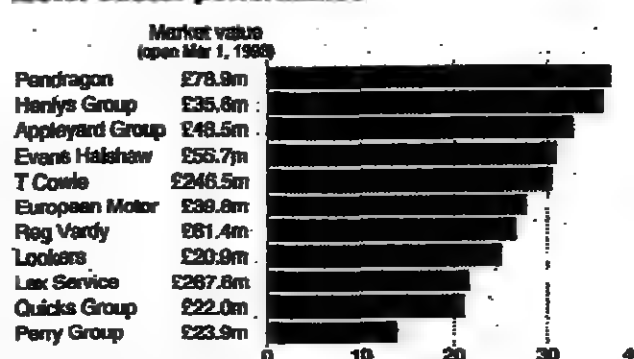
More commonly, however, motor traders' profits have remained bogged down.

Among the laggards is Appleyard Group, one of the oldest names. Its expansion ran out of steam after the purchase of Ian Skelly in 1990. In 1991 profits slumped to £1.8m and the dividend was uncovered. The figures may be worse for 1992 and a dividend cut is feared.

Companies which disappeared at the interim stage included Evans Halseaw and Perry Group, while Lookers was more than 40 per cent down at the pre-tax level in the year to September.

But even the laggards have outperformed the market.

Motor sector performance



Source: Datastream

% change relative to the FT-A All-Share index

Automotive and Financial (AFG), controlled by Mr Octav Botnar.

Inchcape has cut dealerships from 110 to 87 since last March's takeover of TKM. AFG has had to react to the loss of the Nissan franchise by finding replacements.

Turning to the mooted acquisition targets, the most frequently cited are Appleyard, Lookers and Perry Group, all quoted, and Dutton Forshaw, part of Lounor.

The background to the speculation is that the sector remains fragmented. The long list of quoted motor traders only accounts for a small portion of the market.

Last year saw a fair amount of consolidation. Apart from the Inchcape-TKM and Lex-Swan deals, Hartwell won control of Trimoco, and emergent motor groups - such as Euro-

pean Motor Holdings and Sanderson Murray & Elder - added to their portfolios.

An advantage the smaller groups have is that they have some way to go before bumping up against the limits imposed by Ford, which still has about 23 per cent of the new car market.

Hartwell was left with 12 Ford dealerships after the Trimoco takeover, four more than Ford's limit.

Ford says agreement has been reached for four to be sold off. It is sticking to its rules, which also limit location, in spite of criticism of manufacturers' restrictions in a Monopolies and Mergers Commission report published last year.

Ford's stance, which contrasts with Rover and Vauxhall's modified approaches, also has a bearing on another big issue in the motor trade: multi-franchising.

This involves a company selling a variety of makes of new car either on one site or from a local network of sites.

Evans Halseaw, for instance, is developing two multi-franchise sites in the Birmingham area. One is orientated towards Japanese makes, the other will bring together Vauxhall, Rover and Toyota.

Currie Motors, on the other hand, which has nine showrooms in London, has recently switched from Ford to five new franchises, although there will be only one brand of new car

available at each site.

Ford argues that multi-franchising will enable local dealerships to be concentrated in too few hands, and that it will compromise after sales service - in terms of the range of parts carried and the skill of fitters.

As about 26 per cent of cars on UK roads are Fords, the after-sales operation has considerable weight. This is not the case with the Japanese makes, which are not yet around in sufficient numbers.

However, the build-up of UK-made Japanese cars is a big issue in the new car market. Mr Rob Golding, motors analyst at SG Warburg, says Japanese cars are forecast to increase their share from 11 to 25 per cent by 1996. A key factor is that fleet buyers will increasingly consider the home-grown models - and corporate sales account for 60 per cent of the new car market.

This has led motor traders to queue up for Japanese franchises, although the weak after-sales outlook has led Cowie, for instance, to utter reservations about "rushing in a big way".

While the Japanese build-up offers a long-term opportunity, the dealers' immediate attention will be focused on the Budget. Mr Golding says the money which the Treasury has given up in car sales tax will be raised from motorists in some other way.

Given the level of recovery hope in the share prices, there is a fear that increased road tax or petrol duty could hinder the fragile reappearance of customer confidence and make 1993 another year of disappointment.

Citibank Investments buys assets of Randsworth Trust

By Vanessa Houlder, Property Correspondent

CITIBANK Investments, a wholly owned subsidiary of the US bank, is acquiring the assets of Randsworth Trust, a London property company, the parent of which has been in receivership for the past year.

Citibank is facing a book loss of more than £100m on the deal, on which its exposure of £310m compares with assets valued at about £200m.

This is the most prominent example of a bank taking control of a property company in the UK since Barclay's acquisition of Imray at the end of last year.

Citibank said its decision reflected confidence in the company's prospects.

Citibank's involvement in

Randsworth dates back to 1989, when it backed a £258m acquisition of the company by JMB Realty, a US investment group.

This deal, which was the UK's largest investment in the US property market by US investors, proved disastrous.

As the value of Randsworth's portfolio in the West End of London halved in value, the shareholders - who injected a further £58m in 1991 - lost their equity.

Even the debenture holders, who had first claim on the assets of London & Provincial Shop Centres, Randsworth's chief subsidiary, lost money.

Last month, Citibank agreed to repay £135m of debentures at a price of 95p for £100 of stock. In the first time in recent memory that holders of secured bonds have accepted a

loss. At the same time, it said it intended to buy all or part of Randsworth.

Citibank Investments has set up a company called CIPL to own Randsworth. The portfolio consists of 35 office and retail buildings in the West End, including 25 Berkeley Square, 91 Kensington High Street and St Christopher's Place, an area of shops, offices and restaurants near Oxford Street.

Citibank excluded from its acquisition two small properties which have negative value.

Mr Nigel Kemper, a former joint managing director, said the deal would allow the management to concentrate on enhancing the value of the business.

"Citibank is prepared to take a long term view of the property market," he said.

NEWS DIGEST

Tuskar cancels USM quote

TUSKAR Resources, the oil and gas explorer, has cancelled its share dealings on the United Securities Market.

The company's 252.6m ordinary shares have now been admitted to the exploration securities market in Dublin.

Regarding the offer from Animex, directors said the proposals contained "nothing of any significant value" and should be rejected.

McLeod Russel posts final offer

McLeod Russel Holdings, the paints producer and distributor which last month launched a £14m hostile bid for Wheway, the struggling environmental group, yesterday despatched formal offer documents to Wheway shareholders.

The McLeod board said it believed it was in the best interests of shareholders, employees and creditors of Wheway that a rapid transfer of control was accomplished because Wheway was a "company in distress".

Other interested parties had been aware of the "For Sale" sign on Wheway since December 23 1992, and no other parties had announced an offer, McLeod directors asserted.

Castle Mill director quits

Mr Marcus Evans has resigned as joint managing director of Castle Mill International and sold his holding of 1.2m shares in the handbag and fashion wear manufacturer.

The stake was sold to Mr Brian Russell, who now holds 23.03 per cent of Castle Mill.

Subject to certain conditions Mr Evans will repurchase Silver Collins Exhibitions, the exhibition promoter which is 75 per cent owned by Castle Mill, for £1.

Increased losses at CountyGlen

Losses before tax at CountyGlen, the Dublin-based property investor and trader, rose from £1253,000 to £1270,000 (£175,000) for the six months ended October 31.

Directors stressed that the deficit mainly represented costs incurred in finalising agreements in the UK for CountyGlen to recover its £500,000 loan to the Videoplus distributors as well as write-offs of rent accepted by the company to obtain possession of the Blackrock site.

The company added that it was examining a number of merger and takeover suggestions but it was too early to bring them to shareholders.

He also drew attention to the recent achievements of Wills, an industrial, electronic and automotive products company. They included a return to profits, a strong balance sheet and reduced bank borrowings.

They compared with Platon's recent losses, lack of dividend and qualified accounts.

The 5-for-4 share offer values Platon at £2.98m, or 27½p a share. Platon's shares were unchanged at 25p yesterday while Wills' rose ½p to 22p.

Wills claims undertakings to accept representing 15.7 per cent of Platon.

Wills also published details of its rights issue to raise £5.4m. The 34m shares are offered at 16p on the basis of 1-for-3 ordinary, 1-for-3 warrants and 10-for-3 preference.

The shares have been suspended since October 20.

Sharp decline to £80,651 at Goodwin

Goodwin, the Stoke-on-Trent engineering company, reported pre-tax profits for the six months to October 31 of £80,651, a little more than a third of the comparable £232,040.

Turnover fell 8 per cent, from £7.13m to £6.59m.

The company said that reorganisation had been undertaken to improve efficiency. Investment in exports remained high and as a result margins were unlikely to recover before the end of the year.

Earnings per share came out at 0.75p (2.16p).

Inoco cuts annual deficit to £4.31m

Inoco, the USM-quoted property investor, reduced losses from £6.82m to £4.31m pre-tax over the 12 months to December 31.

The outcome was struck after a profit on the sale of investments of £111,000 (losses of £3.1m) now treated as an extraordinary item.

Losses of £2.46m on sale of fixed assets, £96,000 on sale of trading stocks and a provision of £1.6m against carrying value of trading stocks were also taken above the line.

Losses per share were 2.06p against a restated 3.29p.

Gartmore American assets increase

Gartmore American Securities, a split capital investment trust specialising in high yielding North American equities, reported net asset value per share of 43p at December 31 compared with 35.5p at March 31 1992.

Net revenue for the nine months to end-December was £948,000 (£1.1m) for earnings per share of 2.29p (3p). A third interim dividend of 1p has already been declared, payable on April 2.

FINMECCANICA

Società per azioni

Shareholders Extraordinary Meetings of Finmeccanica S.p.A., Alenia S.p.A., Ansaldo S.p.A., and Elag Bailey S.p.A. dated 18 February, 1993

The Shareholders Meetings of the companies "Finmeccanica - Società per azioni", "Alenia - Aerialia & Selenia S.p.A.", "Ansaldo S.p.A.", and "Elag Bailey S.p.A." - all companies of the IRI Group - approved, in an extraordinary meeting, the merger for the take-over by Finmeccanica of the companies Alenia, Ansaldo, and Elag Bailey.

The operation consists of the take-over by Finmeccanica of the three companies with a resulting increase in the company's capital by a maximum amount of approximately 191.7 billion lire through the issuing of approximately 191.7 million new ordinary shares, each having the nominal value of 1,000 lire, of which:

Approximately 183.6 million new Finmeccanica ordinary shares, dividend payable 1 January, 1992 to assign to third-party shareholders of Alenia, Ansaldo, and Elag Bailey according to the following exchange mechanism:

- 3 new Finmeccanica ordinary shares for every 5 Alenia ordinary shares; - 3 new Finmeccanica ordinary shares for every 5 Ansaldo ordinary shares; - 9 new Finmeccanica ordinary shares for every 5 Elag Bailey ordinary shares.

3.1 million new Finmeccanica ordinary shares to be issued in function of the exercise of the 22.5 million Elag Bailey warrants in circulation, which will be dividend payable 1 January of this year on the date of the exercise of the relative right.

The holders of the above-mentioned warrants will have the right to purchase 18 Finmeccanica shares for every 50 warrants held by depositing 2,777 lire per share until the warrant's deadline (July 1994).

Following the complete implementation of the merger programme, the Finmeccanica S.p.A. shareholding will evolve in the following terms:

Finmeccanica Ordinary Shares			
	Present Situation (millions of shares)	After Merger (millions of shares)	
IRI	(*)591.4	96.4%	(*)690.5
Public	22.0	3.6%	106.6
Total	613.4		797.1

(*) of which 511.1 million are shares which will be allocated in the dividend distribution after the 1996 fiscal year, as per the meeting's resolution dated 31/7/92.

Finmeccanica Savings N.C. Shares			
	Present Situation (millions of shares)	After Merger (millions of shares)	
IRI	45.5	73.9%	45.5
Public	16.0	26.1%	16.0
Total	61.5		61.5

At the present market prices, Finmeccanica's stock capitalization after the merger would be of approximately 2,100 billion lire, ranking in second place among the Italian industrial/mechanical companies.

Since the merger project will see that the Finmeccanica assigned shares in exchange to the Alenia, Ansaldo, and Elag Bailey shareholders will be dividend payable 1 January, 1992, the shareholders of the above-mentioned companies will participate in the distribution of the dividends that will be resolved by the Finmeccanica General Meeting on the occasion of the approval of the 1992 fiscal year balance and, as a result of the exchange, they will be able to attend the Meeting.

The Finmeccanica General Meeting, renewing the resolution to increase the company's capital already adopted on 21/07/92, approved the increase of capital according to the following measures:

Following the merger, an increase of capital will give way by payment of a maximum amount of 307,489,995,000 lire of nominal value, which will come through by issuing a maximum quantity of 307,489,995 ordinary shares, each having the nominal value of 1,000 lire to assign in put options to the shareholders at the nominal cost of 1,000 lire (one thousand), increased by a surcharge of 1,500 lire (one thousand five hundred) with the right by the Board of Directors to increase or decrease such a surcharge by a maximum amount of 400 lire (four hundred) keeping in mind the share's and the stock market's trend at the time of the operation's execution.

The increase of capital will be carried out within a time-span of 12 months possibly in different tranches, in relation to the conditions of the financial markets.

Based on the rate of increase due to IRI, they will guarantee the underwriting of Finmeccanica shares for a countervalue of 493,118 billion lire while the rights relative to the remaining shares due to the Institute will be granted through an underwriting syndicate, according to instructions that IRI will define before the operation.

The Finmeccanica Meeting has also entrusted the Board of Directors to formulate an articulate proposal for a convertible loan stock, that corresponds to the investment needs of the national and international financial markets and in line with their own assets.



SWITZERLAND 26 April, 1993

The survey will assess the meaning of the rejection by a majority of Swiss voters of the government's proposal to join the EEA and analyse how Switzerland is redrafting its policies towards its European neighbours, as well as covering the following topics.



Advertisement information:
Nigel Bicknell or Simone Egli,
Financial Times (Switzerland) Ltd.,
15 rue du Cendrier CH - 1201 Geneva.
Tel: 022/731.16.04 Fax: 022/731.94.81
Ernst Jenny in Schwanden
Tel: 058/81.30.70
Elizabeth Vaughan in London
Tel: 071/873.34.72
Fax: 071/873.34.28

Moscow diamond exchange planned

MR. VALERY Rudakov, president of the Russian diamond producing company **Almazy Rossi-Sakha**, said yesterday he would soon set up an exchange in Moscow to sell rough diamonds to the country's diamond-cutting factories.

He said this would reorganize on market principles the system whereby only the Committee for Precious Stones and Metals could sell rough stones to cutters and industrial diamond-makers. It would allow both the exchange, which would start up in a month or two, and the committee would be allowed to sell rough stones, he said.

One western expert said, however, that this only underlined the continuing rivalry between Mr Rudakov and Mr Yevgeny Bychkov, the head of the Committee for Precious Stones and Metals. The two men locked horns two years ago when they were respectively head of the old Soviet Glavalmazzoloto diamond and gold monopoly, and the state department of precious stones and jewelry.

Mr. Rossi-Sakha is supposed to have a monopoly to sell Russian rough to De Beers and factories. If the committee goes on selling, it will be an unusual situation," said the western diamond expert. "One side will have to win out in the end. While Rudakov is more savvy, Bychkov has good connections (in Russia)."

Russia can sell only 5 per cent of its rough diamonds on international markets, though De Beers claims that additional quantities are smuggled out.

The committee wants to be in charge of selling this 5 per cent (designed to help Russia monitor the prices taken by De Beers), while Mr Rudakov suggested that his exchange should carry out this function.

The western expert said that if given monopoly on sales, the exchange could prevent Russian diamond-cutters from undermining western markets. This is because they would have to bid for stones and De Beers could compete as well, driving up the price of rough stones, and preventing cheap Russian cut-diamonds from indirectly depressing the rough-stone market.

Mr Rudakov said an additional exchange would be set up in Yakutsk, the capital of the autonomous republic which produces 98 per cent of Russia's diamonds. It is selling diamonds to the floating diamond-cutting industry.

So as to make more of its diamond wealth, Russia is trying to improve its inefficient diamond-cutting industry by bringing in foreign partners. For the moment, however, prospective foreign partners have to choose between whether to team up with Mr Rudakov or Mr Bychkov.

LOSS-MAKING ALUMINIUM smelters in the West are caught in a poverty trap that prevents them from cutting production in order to low prices, according to record stocks, according to a report from the Commodities Research Unit.

The report estimates that more than half Western capacity is losing money on every ounce of production, while the flood of metal from the former Soviet Union shows no sign of abating.

However, while Western production needs to be curbed to bolster prices, companies are entirely rational not to close even their higher cost and economically vulnerable smelters, the CRU asserts. "Temporary or partial closures are not an attractive option because of the high proportion of fixed or unavoidable costs within total operating costs."

Permanent closure is also

Current state or the market the liquidation value of a plant is small. In addition, any single closure would have little effect on the market, and the CRU believes it unlikely that producers will act collectively on a programme of closures.

The CRU is forecasting only a slow improvement in the market balance as the surplus production is eroded by a gradual increase in demand. It predicts that investment in new capacity will be delayed to the extent that prices will move sharply higher towards the turn of the century when the surplus is finally worked off.

Meanwhile, companies will be better off upgrading and upgrading existing plant than investing in greenfield sites, the CRU suggests.

● **Survival in Aluminium Smelting.** CRU International, 81 Mount Pleasant London WC1X 0AD.

BASE METAL prices were in retreat on the London Metal Exchange yesterday, continuing on the downward path started last week.

Three-month copper led the way, breaking below \$4,150 a tonne to close at a 3¼-month low. Zinc and aluminium followed suit, falling to 15-month and three-month lows respectively, while nickel retreated back below \$5,000 a tonne.

Mr Angus MacMillan, analyst with Billiton-Eindhoven, part of the Royal Dutch/Shell group, said Chinese buying had kept three-month copper at \$4,400 a tonne in January, while last month floods in Arizona and strikes in Mexico and at Papua New Guinea's huge Ok Tedi mine had kept the pot boiling above \$2,200.

But any supporting factors had now evaporated, leaving the market with a pessimistic outlook for the next 16 months.

GNL, the London futures broker, said copper appeared to be on the brink of a major price collapse. Prospects for a pick-up in the US economy had been offset by news that European car production could fall by 1.5m units this year, and that US car production was down 1.5m units in January.

Weak fundamentals, sluggish physical demand, rising stocks and negative chart formations paint a bleak picture for base metal prices, analysts suggest. While some production cuts have been announced for zinc, copper production has been too little too late. Cuts in copper production are unlikely as most producers are still making profits.

By snow-covered slopes in the Arberg region of Austria. The starting point - a somewhat less pretty but well-loved village in the middle of Norrlik, England. The journey - by road and sea-ferry with a few friends as anxious as I for a temporary change of scene and the feel of some snow under their side.

As we left home, much of the autumn-sown corn had begun to recover from indifferent planting conditions and the wettest early winter for years. But, ironically, the forecasts were that snow and heavy weather - which we knew would put back that recovery as well as delaying spring-corn planting. We would rather go to find snow elsewhere and have it stay away from our farms in late February and early March.

On the journey to the ferry, the snow in the Austrian fields left unploughed so that weeds and other green material could regenerate naturally and qualify the land for voluntary set-aside - the most visible result of the 1982 reform of the European Community's common agricultural policy - was apparent from the start.

Although the devaluation of the pound last autumn will result in increased compensation payments for UK farmers when they set land aside, none of us in the vehicle thought the extra cash made the exercise attractive.

An uneventful crossing from Felixstowe to Zebrugg was followed by a walk to the many of our fellow passengers were only making day trips to fill up their cars and vans with duty-free booze and cigarettes.

in a village surrounded by snow-covered slopes in the Arberg region of Austria. The starting point - a somewhat less pretty but well-loved village in the middle of Norfolk, England. The journey - by road and sea-ferry with a few friends as anxious as I for a temporary change of scenery and the feel of some snow under their skis.

As we left home, much of the autumn-sown corn had begun to recover from indifferent planting conditions and the wettest early winter for years. But, ironically, the forecasts for snow and bitterly cold weather, which we knew would hasten the recovery as well as delaying spring real planting. We would rather go to find snow elsewhere and have it stay away from our farms in late February and early March.

On the journey to the ferry, the 15 per cent of East Anglian fields left unploughed so that weeds and other green material could regenerate naturally and smother the weeds. For voluntary set-aside - the most visible result of the 1992 reforms of the European Community's common agricultural policy - was beginning to show itself.

And although the devaluation of the pound last autumn will result in increased compensation payments for UK farmers when they set land aside, none of us in the vehicle thought the extra cash made it worth the wait.

An uneventful crossing from Felixstowe to Zebrügge was notable only for the fact that many of our fellow passengers were only making day trips to fill up their cars and vans with duty-free booze and cigarettes.

Then towards Brussels - the home of Eurocrats and the centre of agricultural decision-making. We did not go into the centre to throw eggs at the EC's Berlaymont building in the Rue de la Loi as some French farmers might have done. But we did say a few rude things about the lack of practical and grass-roots agricultural knowledge of many of those who worked there as we took the many-bridged by-pass autoroute around the town.

Some might say, however, that we were cursing the wrong people. For about 50 km (30 miles) south-east of Brussels, just off the main road, is the village of Thuin in Genoaux. Back in the early and mid-1970s, the professor of agriculture there, a man called Laloux, developed what he called "blueprints" for the production of cereals, the purpose of these strict planting, fertilising and spraying programmes being to maximise yields.

Little calculation as to whether or not the exercise was profitable was necessary. Yield was everything and the community's guaranteed-price system ensured that profitability followed yields upwards.

Other experts in other areas of the EC followed the Laloux

doms. And we farmers adopted them with enthusiasm; they meant, after all, that we made bigger profits. But they also led to increases in production to unsustainable surpluses and eventually to the reform of the CAP.

Nobody uses the blueprints today — we cannot afford to. The emphasis is on minimising inputs and optimising yields rather than maximising production. A series of EC price cuts, which will deepen as CAP reform continues, has seen to that. And, to be fair, the result is a more sensible use of resources as well as being more environment friendly. But the Leloux blueprints of the 1970s were a necessary step to the fuller understanding of the physiology of cereals in which, in turn, is helping us to survive the stringent economies of the 1980s.

Moving south, through the Lorraine, across the Maginot Line, into the Moselle and Alsace and towards Strasbourg, home of the European Parliament, I found the road is much improved since I last travelled it, presumably to make it easier for the hordes of EC officials who are forced to make the journey each time the Parliament meets.

The crops of autumn-sown grain were looking even sadder than those we had left at home. A few farmers were still using their tillage-spreaders trying to apply nitrogen to encourage them to grow. Here, too, the set-aside land is beginning to be obvious, although there is less of it than in East Anglia because of small-farm exemption.

particular member of the community but the one that has provided the new Agriculture Commissioner, Mr. René Stetschen, in succession to Ireland's Mr. Ray MacSharry, author of CAP reform, who has retired to Ireland.

Onwards, across the Rhine and to the forests and farms of southern Germany. Most of the land was already covered with a light dusting of snow, but it was not so easy to make roadside judgments. The big, occasional farm cart, hauled by horses, reminded us of the wide range of living standards that still exist within our so-called Common Market. I remembered a speech I had heard in Berlin from out-going German farmer minister and Bavarian farmer Mr. Ignaz Kiechle, only a few weeks ago at the opening of the Green Week, the annual agricultural fair in Munich. He had urged us to the platform Mr. Jean-Pierre Sison, the French Farm minister, who had declared unequivocally that there was no way France would accept the agricultural restrictions the US deal on the Uruguay Round of the General Agreement on Tariffs and Trade would impose. Mr. Kiechle, in an attempt, no doubt, to cement Franco-German unity on such matters, never mentioned it had already been adopted by other members, agreed that the agricultural aspects of the agreement would have to be re-negotiated.

As we crossed the border into Austria and out of the European Community, I could not help reflecting on the enormous and seemingly-insuperable differences that existed

membership of that union, we are told with the agreement of a majority of its citizens, including most of its farmers.

Why? I know from previous visits that Austrian farmers receive 50 per cent more for their wheat than I do in the UK; those with dairy farms get twice as much for their milk; and instead of the detested set-aside, the Austrian government has decided to subsidise its farmers to produce non-food crops, such as oilseed rape, to refine into diesel fuel.

There is an apparent acceptance by Austrians that they have a duty to ensure that the 6.3 per cent of farmers in the population are well off as the rest of the community. Oh, for a bit of that attitude in the UK!

Furthermore, partly because of a strong Austrian schilling and a weak pound, I have just paid a man who used to be just a farmer but is now the proprietor of a sports shop as well, the equivalent value of one tonne of UK wheat for a six-day ski-lift ticket and another man the world price of a tonne of wheat to hire a set of ski-lifts and sticks for a week's holiday.

It is the same where I am staying, packed with people from all over Europe who are queuing up to do the same thing. Austria earns more per head from tourism than any European country, in or out of the EC, and a fair proportion of the benefit of that goes directly or indirectly to agriculture.

I can only ask again - why on earth do Austrians, and Austrian farmers in particular, want to risk losing their independence by joining the European Community?

ROYAL OAK Mines, the Vancouver-based gold producer that specialises in restoring high-cost mines to profitability, has signed an agreement to buy the mothballed Colomac property in Canada's Northwest Territories.

The seller is Neptune Resources, which will receive \$3.1m Royal Oak shares, worth \$3.5m (US\$7m), as well as a royalty over five years, payable on the gold price achieved at an annual average of more than \$400 a troy ounce. The deal is expected to be finalised on March 25.

Neptune closed Colomac in mid-1981 after the mine had been in operation for only a

ounce was required to keep the operation profitable.

Royal Oak said that it hoped to cut cash production costs to less than \$300 an ounce, partly by running Colomac in tandem with its Giant mine in Yellowknife.

Unions workers at the Giant mine have staged a bitter and often violent strike for the past nine months, but the Colomac deal is operating with outside workers. The company is insisting, among other things, that wages be linked to the gold price.

Royal Oak plans a feasibility study at Colomac this summer with a view to reopening the mine in 1994.

PETROTECH International Corporation has won the new contract to operate the Petromar oil field off the northern Peruvian coast. The concession, formerly held by Belco, was taken over by the state after a 1986 contractual dispute over the field's insurance claim by American International Group is still outstanding.

Petrotech, registered in Delaware, is part of the New York McAllister Brothers group. Its current operations focus on Venezuela and the Gulf of Mexico through its subsidiary, International Marine, it has maintained a presence in Peru for ten years, servicing the Petromar offshore field.

Partners in the joint venture are the US and Compania Naviera Perez Companc of Argentina - pre-qualified to bid. Petrotech will take an average of almost 79 per cent of all crude produced, leaving 21 per cent for Petromar, the state-run petroleum giant.

The concession, the 400-hectare lot 7-28 will run for ten years with an option to renew for a further ten. Output from the field has slumped since the Belco days, from a peak of 30,000 barrels a day, to an all-time low last year of less than 100 barrels a day. Despite the slump, despite a dearth of equipment and spare parts, output has risen to 17,000 b/d.

The concession is an important step in the planned private

the company's president, "the most attractive part of the field lies in the 50 per cent, still unexplored. And while the exploration goes ahead, the new operating company will be earning cash from the halftender's steady brokering."

Contract terms require Petrotech to drill at least 40 development wells over the next three years and five exploration wells by the year 2000.

Petrotech officials estimated drilling costs at \$60m and \$30m respectively. The operator will have to pay Petrotech \$10m for the lease of existing assets. Another \$30m to \$60m will have to be spent on repairs and modernisation.

Meanwhile, other advances

London robusta **COFFEE** and **COCOA** limped to a close little changed from opening levels and lamenting the delay in opening of their New York counterparts following the bomb at the World Trade Centre. "It's been a waste of time this afternoon. Everyone's been sitting around, twiddling their thumbs," one London cocoa dealer said. The weakness of the French franc against sterling was keeping origins sidelined and adding some light support. Otherwise, dealers were keeping one eye on pact talks in Geneva, where consumers and producers failed to agree last week on a compromise proposal. At separate group meetings, delegates said there was the gap between the two was beginning to narrow, many traders were still of the view that the price of coffee traders were expecting a little market-moving news from a two-day producer meeting in Mexico City in preparation for the next set of pact talks this month. In New York, prices were sharply down a delayed opening.

Compiled from Reuters

SPOT MARKETS		Wash	Croce	Prevails	High/Low
Crude oil (per barrel FOB)(Apr)	1 dr -				
Dubai oil	\$16.00-0.76	+	220.00	220.00	218.00
Brent Blend (dated)	\$16.90-0.87	+	224.00	224.00	223.00
West Gulf (Apr)	\$16.00-0.76	+	205.00	205.00	203.00
W.T.I. (1 pms oct)	\$20.50-0.62	+			
Oil products		White	Croce <td>Prevails <td>High/Low</td> </td>	Prevails <td>High/Low</td>	High/Low
Gas		May	275.00	272.50	276.00
		Oct	267.00	273.00	276.50
		Aug	267.00	265.00	265.50
Oilseeds		Turnover: Raw 4 (180) lots of 30 tons			
Domestic		White 605 (822) Paris 1000 (FFY per			
		May 1983-21 Aug 1981-67			
Oilseeds		Oilseeds			

Platinum (per troy oz)	308.55	+1.5	May	19.00	19.00	19.10
Silver (per troy oz)	324.90	+0.9	Jun	19.06	19.06	19.12
Palladium (per troy oz)	5103.26	+3.1	Jul	19.00	19.00	19.10
			Aug	19.14	19.06	19.10
Copper (US Producer)	100.5c		Sep	18.11	18.16	18.11
Lead (US Producer)	33.5c		1PE Index	18.00	18.00	
Tin (Kuala Lumpur market)	14.62c	-0.08	Turnover 19022 (2167)			
Tin (New York)	26.5c					
Zinc (Singapore Western)	62.5c	+2.2				
Cash (five weight)	19.15p					
Swap (five weight)	19.15p	+0.95				
Cite (five weight)	91.21p	+0.91*				
London daily sugar (red)	\$248.0	+4.1	Mar	173.26	173.50	173.25
London daily sugar (white)	\$248.0	+4.4	Apr	175.00	173.99	174.00
Batavia and Leyte export price	\$291.5	-1	May	174.50	173.00	173.50
Tenry (English lead)			Jun	174.26	173.25	173.50
Malat (US No. 3 yellow)	\$165.0		Jul	175.00	173.00	173.75
Wheat (US No. 3 Northen)			Aug	177.75	176.50	177.75
Turnover 19022 (12045)			Turnover 19022 (12045)			

Cocunut oil (Malaysia) #	\$435.95	
Palm Oil (Philippines)	\$427.5c	
Cocoa (Philippines) #	\$278.0c	
Soybeans (US)	\$170.0c	= B
Woolen "A" index	61.75c	+0.1
Woolen "S&S Super"	38P	

A = torpedoes unless otherwise stated.
 c=centavos, P=pence, W=Kilograms/Mgr.,
 S=Avg. w/weight/Mgr. w/London physical.
 SICP Rotterdam, & Bullion market close, m-Malaysian time zone. All futures prices are new live weight prices * change from a week ago, nominal prices.

tion demand reports the Texaco Refining station, The limited quantity of Asian readily at firm rates but South India's tender, Bright East Indian oil was sold irregularly at around last May medium and planter descriptions were drably firm. Other good demand prices mostly firm at premium for the highest price realised this week was for a Swande 31. Cautions quote nominal good medium 1999, medium medium 1700.

separate group meetings, delegates said there were signs the gap between the two sides was beginning to narrow, but many traders were still cynical. Coffee traders were expecting little market-moving news from a two-day producer meeting in Mexico City in preparation for the next set of pact talks later this month. In New York arabica prices were sharply down after a delayed opening.

SUGAR - American FICE			(\$ per ton)	
	May	Close	Previous	High/Low
New	May	226.00	226.00	218.80
Feig	May	224.00	224.00	220.00
White	Oct	205.00	205.00	202.90
	May	Close	Previous	High/Low
May	May	275.00	272.50	275.00 271.50
Aug	May	275.00	273.50	275.00 271.50
Oct	May	267.00	265.60	265.50 254.10

Turnover: Raw: 4 (140) lots of 30 tons each.
 White: 666 (252) Pairs: White (FY) per centage;
 May 1985:21.47 Oct 1981:17

CRUDE OIL - WPM

\$/barrel

	19.00	18.94	19.08	18.82
May	19.08	19.02	19.12	19.00
Jun			18.14	19.02
Jul	19.14	19.08	19.28	19.07
Sep	19.11	19.15	19.11	19.07
EPS Index	19.00	19.00		

Turnover 19022 (21857)

	GAS OIL - FIVE			9/100
	Close	Previous	High/Low	
Mar	178.28	173.50	178.25 173.76	
Apr	175.00	173.50	176.25 174.00	
May	174.50	173.00	176.00 174.25	
Jun	174.26	173.25	177.50 174.05	
Jul	176.00	175.00	176.75 175.00	
Aug	177.75	176.00	177.75	

Turnover 11499 (13054) lots of 100 tonnes

five demand reports the Tea Brokers Association. The limited quantity of Assams sold readily at firm rates but South Indians were easier. Bright East Africans showed some irregularity at around last levels but medium and plainer descriptions were generally firm. Offshore good demand with prices mostly firm at previous rates. The highest price realised this week was 183p for a Rwanda pt.1. Quotations quality 170p, norm good medium 155p, medium 140p, low medium 110p.

	Colse	Phoenix	Wagons	Aluminate, 93.7% pure
Mar	738	720	740 731	Cash 1174-6
Jun	740	740	740 740	3 months 1188.5-7.0
Jul	765	760	765 767	
Sep	714	772	775 768	Copper, Grade A (2 p.c.)
Dec	780	780	781 787	Cash 1475-9
Mar	808	810	808 808	3 months 1486.5-9.0
Jun	808	808	808 808	
Jul	836	836	836 834	Lead (2 p.c.)
Sep	846	852	851 846	Cash 2552.5-6
				3 months 2550-6
				Michael (5 p.c. 1000)
Turnover: 1967 (\$407) lots of 10 tonnes				Cash 3600-10
USDC indicator prices (\$/tonne p.c. tonnet).				3 months 3570-6
Daily prices for Feb 27 733.48 (745.85) 50 day average				
for Feb 28 740.82 (738.79)				The (5 p.c. tonnet)

Mar	923	943	940 918
May	918	941	940 912
Jul	911	939	938 909
Sep	900	910	915 906
Nov	913	932	929 910
Jan	921	944	936 922

Turnover:1989 (3623) lots of 5 tonnes
 C&I indicator prices (US cents per picture) for
 Feb 89: Comp. index 37.15 (38.91) 15 day average
 37.36 (37.56)

Cash	501-2
3 months	1070-11
LME Closing 226 rate SPOT: 1.4385	

LONDON BULLION & CO.
 (Prices supplied by N.M.F.)

Gold (buy and	S price
Crown	555.40-50
Sparring	555.70-50
Warring	556

[illegible]

Turnover \$0 (P)	Mar	Apr	May	Aluminum (80,7%)
				Strikes price & 23¢ Apr
GRAMS - London FOX				
West				1175
Close				1225
Mar				1275
May	147.80	146.35	147.20	Copper (Grade A)
Jun	118.10	118.00	118.45	2100
Mar	148.50	148.35	148.50	2200
May	112.10	112.20	112.10	2300
Mar	118.00	118.00	118.00	
Barley				
Close				Coffee
Mar	143.75	142.80	144.25	Mar
May	143.75	144.60	144.00	60
				80

FYRLE - London FIVE (Cash Settlement) p/bp			
	Close	Previous	High/Low
Mar	108.5	108.5	106.0
Apr	108.5	-	106.0
Turnover: 20 (21) lots of 3,250 kg			

	1980	1981	1982
Great	20	20	20
Small	20	20	20
Turnover	20	20	20

(1000s)	Total daily turnover, 31,005 lots		
3805-1.2	1194.5-5.5		
12-3	1207.5-5	1198-7	125.807 lots
	1210/1198		Total daily turnover, 49,398 lots
14-6	1487/1486	1485-5-0	
15-5	1517/1487	1505-10-0	1489-000 163.640 lots
4-5-5-5			Total daily turnover, 3,005 lots
5-5-5-5	583/585	583.75-4.0	
	594/585	583.5-5-0	594-0 18,900 lots
			Total daily turnover, 5,051 lots
50-30	5050/5980	5050-0	
100-80	8075/5980	8010-1-0	5050-70 42,650 lots
			Total daily turnover, 1,831 lots

10-20	1000/999.5	999.5-1000		
10-25	1030/1009	1019.5-7.0	1010-11	84,575 lots
3 months: 1,428		6 months: 1,409		9 months: 1,198

17	New York			
March(4)				
K settlement				
GOLD 100 buy sz: 3-way oz.				
	Close	Previous	High/Low	
228.304	385.6	385.4	0	0

Plasma (Ys US\$)					
Oct	329.3	321.1	0	0	
Nov	334.7	334.6	358.0	334.6	
Feb	355.1	355.9	0	0	
Apr	337.6	337.4	0	0	
US cit equity					
355.25					
351.00					
354.00					
350.00					
PLATINUM 33 cit. Stry et.					
	Class	Previous	High/Low		
Apr	346.5	345.0	347.5	346.5	
Jul	344.5	343.0	348.0	343.5	
Oct	342.8	342.7	0	0	
Nov	340.3	340.2	343.0	340.0	
SLVW 6,000 toy oz. simib/roy oz.					
	Class	Previous	High/Low		
Mar	355.0	337.1	357.0	355.0	
220.00-221.00					

Puts		Calls	
Jan	Apr	Jan	Apr
11	28	11	28
42	41	42	41
72	75	72	75

Puts		Calls	
Jan	Apr	Jan	Apr
16	31	16	31
70	78	70	78
101	104	101	104

Puts		Calls	
Jan	Apr	Jan	Apr
7	25	7	25
39	38	39	38

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

Puts		Calls	
Jan	Apr	Jan	Apr
10	24	10	24
36	35	36	35

17	27	May	20.94	20.63	20.76	20.43
28	36	Jun	20.67	20.63	20.78	20.46
43	50	Jul	20.68	20.66	20.80	20.51
		Aug	20.68	20.66	20.76	20.50
May	Apr	May	20.58	20.57	20.60	20.56
9	-	Oct	20.75	20.68	20.73	20.69
20	60	Nov	20.70	20.67	20.73	20.69
47	-	Dec	20.58	20.55	20.77	20.52
		Jan	20.58	20.63	20.67	20.60

Lastest			Previous			High/Low		
58.00	58.99	58.00	58.00	57.50				
57.50	57.99	57.20	58.00					
57.00	56.73	56.00	56.05					
56.50	56.25	55.50	55.55					
56.00	55.75	55.00	55.00					
55.50	55.21	55.30	55.70					
55.00	54.91	55.00	54.70					
54.50	54.25	0	0					
54.00	53.75	54.00	54.00					
53.50	53.19	53.00	53.00					

Lastest			Previous			High/Low		
59.00	58.99	58.00	57.50					
58.50	58.25	57.00	57.00					
58.00	57.75	56.50	56.50					
57.50	57.25	56.00	56.00					
57.00	56.75	55.50	55.50					
56.50	56.25	55.00	55.00					
56.00	55.75	55.00	55.00					
55.50	55.21	55.30	55.70					
55.00	54.91	55.00	54.70					
54.50	54.25	0	0					
54.00	53.75	54.00	54.00					
53.50	53.19	53.00	53.00					

Lastest			Previous			High/Low		
59.00	58.99	58.00	57.50					
58.50	58.25	57.00	57.00					
58.00	57.75	56.50	56.50					
57.50	57.25	56.00	56.00					
57.00	56.75	55.50	55.50					
56.50	56.25	55.00	55.00					
56.00	55.75	55.00	55.00					
55.50	55.21	55.30	55.70					
55.00	54.91	55.00	54.70					
54.50	54.25	0	0					
54.00	53.75	54.00	54.00					
53.50	53.19	53.00	53.00					

Lastest			Previous			High/Low		
59.00	58.99	58.00	57.50					
58.50	58.25	57.00	57.00					
58.00	57.75	56.50	56.50					
57.50	57.25	56.00	56.00					
57.00	56.75	55.50	55.50					
56.50	56.25	55.00	55.00					
56.00	55.75	55.00	55.00					
55.50	55.21	55.30	55.70					
55.00	54.91	55.00	54.70					
54.50	54.25	0	0					
54.00	53.75	54.00	54.00					
53.50	53.19	53.00	53.00					

Lastest			Previous			High/Low		
59.00	58.99	58.00	57.50					
58.50	58.25	57.00	57.00					
58.00	57.75	56.50	56.50					
57.50	57.25	56.00	56.00					

	1076	1073	1078	1075					
1046	1043	1046	1048		Chc	21.95	21.57	21.57	21.57
1086	1083	0	0		May	21.95	21.57	21.57	21.57
1091	1086	0	0		Jun	22.05	21.88	0	0
1119	1114	0	0		SOTABANE MEAL 100 tons; \$/ton				
1144	1139	1147	1147						
\$ = 100 cents; 100 lbs = 45.35 kg.									
	\$ = 100 cents; 100 lbs = 45.35 kg.								
	Cereals								
	High/Low								
Biscuits	\$1.00	\$0.00		\$0.35	Mar	176.2	176.3	176.3	176.3
82.95	84.85	85.75	85.00		Apr	180.8	180.8	180.8	180.8
82.95	84.45	85.75	85.00		May	183.1	182.7	182.7	182.7
82.95	84.45	85.75	85.00		Jun	184.2	184.1	184.1	184.1
					Oct	185.5	185.0	185.0	185.0
					Sep	186.6	186.4	186.4	186.4
					Dec	188.4	187.1	187.1	187.1
					Nov	188.7	188.7	188.7	188.7
					Jan	190.0	187.7	187.7	187.7
					Feb	190.7	190.7	190.7	190.7

WORLD TIT 112,000 lbs/cwt/ctbs			
	Close	Previous	High/Low
10.28	9.98	10.26	9.83
10.28	9.98	10.26	10.03
9.51	9.26	9.53	9.07
9.51	9.01	9.73	9.01
9.18	9.08	9	0
9.18	9.00	9	0

WHEAT 5,000 bu; min; cwt/ctbs			
	Close	Previous	High/Low
May	373.0	372.2	373.0
May	384.4	383.2	384.4
Jul	314.8	314.8	314.8
Sep	319.2	319.4	319.2
Dec	324.0	323.6	324.0

[illegible]

Mar	Feb	25	mmth	ago	yr	ago
1772.3	1774.8	1717.7	1613.4			
JONES (Base: Dec. 31, 1974 = 100)						
Mar	Feb	25	mmth	ago	yr	ago
126.02	126.16	121.67	116.6			
124.71	124.98	121.58	122.71			

[illegible]

	21.86	21.57	21.57	21.55
1	21.86	21.57	0	0
2	22.05	21.88	0	0

PYRENEAN MOUNTAIN 100 tonne/ha				
	Close	Previous	High/Low	
1	176.2	176.3	176.1	176.4
2	180.8	177.7	181.7	179.8
3	184.1	180.8	184.5	182.0
4	186.1	180.1	189.1	182.0
5	185.5	183.0	185.9	185.9
6	186.5	184.4	187.0	184.7
7	186.1	187.1	180.0	180.2
8	186.7	186.7	180.0	179.7
9	190.0	187.0		

	2134	2142	2142	2104
2220	2102	2226	2106	
2204	2258	2258	2258	
2035	2322	2360	2270	
2432	2320	2434	2330	
2432	2320	2350	2350	
2540	2500	2540	2458	
2534	2484	2534	2504	
2500		2500	2500	

MEAT 5000 lb min; cents/500-lb-bushel

	Cows	Previous	High/Low
3730	3722	3740	3680
3844	3832	3840	3802
3148	3148	3142	3124
3182	3184	3182	3184
3250	3296	3298	3244

MOHS 40,000 lb. center/ton			
Close	Previous	High/Low	
45.40	45.25	45.475	43.125
50.575	50.825	50.800	49.625
49.000	49.300	49.225	48.800
48.400	48.750	48.680	48.250
41.850			

	Close	Previous	High/Low
38.450	38.925	38.100	38.250
39.675	40.225	40.500	39.625
39.875	40.200	40.750	38.950
39.850	40.100	39.350	38.600
44.800	0	44.800	44.000
44.850	0	44.850	44.950
44.300	0	0	0

1-SE INDEX
ENDING 10:00
CLOCK 10:00

LONDON SHARE SERVICE

INVESTMENT TRUSTS - CONT.

هكذا من الأضواء

**AUTHORISED
UNIT TRUSTS**

	Class	Time	Days	Phone	Ext	Rate
Central Night Unit, Life 11000HF						
1st New	11000HF	11000HF				11000HF
2nd New	11000HF	11000HF				11000HF
3rd New	11000HF	11000HF				11000HF
4th New	11000HF	11000HF				11000HF
5th New	11000HF	11000HF				11000HF
6th New	11000HF	11000HF				11000HF
7th New	11000HF	11000HF				11000HF
8th New	11000HF	11000HF				11000HF
9th New	11000HF	11000HF				11000HF
10th New	11000HF	11000HF				11000HF
11th New	11000HF	11000HF				11000HF
12th New	11000HF	11000HF				11000HF
13th New	11000HF	11000HF				11000HF
14th New	11000HF	11000HF				11000HF
15th New	11000HF	11000HF				11000HF
16th New	11000HF	11000HF				11000HF
17th New	11000HF	11000HF				11000HF
18th New	11000HF	11000HF				11000HF
19th New	11000HF	11000HF				11000HF
20th New	11000HF	11000HF				11000HF
21st New	11000HF	11000HF				11000HF
22nd New	11000HF	11000HF				11000HF
23rd New	11000HF	11000HF				11000HF
24th New	11000HF	11000HF				11000HF
25th New	11000HF	11000HF				11000HF
26th New	11000HF	11000HF				11000HF
27th New	11000HF	11000HF				11000HF
28th New	11000HF	11000HF				11000HF
29th New	11000HF	11000HF				11000HF
30th New	11000HF	11000HF				11000HF
31st New	11000HF	11000HF				11000HF
32nd New	11000HF	11000HF				11000HF
33rd New	11000HF	11000HF				11000HF
34th New	11000HF	11000HF				11000HF
35th New	11000HF	11000HF				11000HF
36th New	11000HF	11000HF				11000HF
37th New	11000HF	11000HF				11000HF
38th New	11000HF	11000HF				11000HF
39th New	11000HF	11000HF				11000HF
40th New	11000HF	11000HF				11000HF
41st New	11000HF	11000HF				11000HF
42nd New	11000HF	11000HF				11000HF
43rd New	11000HF	11000HF				11000HF
44th New	11000HF	11000HF				11000HF
45th New	11000HF	11000HF				11000HF
46th New	11000HF	11000HF				11000HF
47th New	11000HF	11000HF				11000HF
48th New	11000HF	11000HF				11000HF
49th New	11000HF	11000HF				11000HF
50th New	11000HF	11000HF				11000HF
51st New	11000HF	11000HF				11000HF
52nd New	11000HF	11000HF				11000HF
53rd New	11000HF	11000HF				11000HF
54th New	11000HF	11000HF				11000HF
55th New	11000HF	11000HF				11000HF
56th New	11000HF	11000HF				11000HF
57th New	11000HF	11000HF				11000HF
58th New	11000HF	11000HF				11000HF
59th New	11000HF	11000HF				11000HF
60th New	11000HF	11000HF				11000HF
61st New	11000HF	11000HF				11000HF
62nd New	11000HF	11000HF				11000HF
63rd New	11000HF	11000HF				11000HF
64th New	11000HF	11000HF				11000HF
65th New	11000HF	11000HF				11000HF
66th New	11000HF	11000HF				11000HF
67th New	11000HF	11000HF				11000

[illegible]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																				

1	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443	1444	1445	1446	1447	1448	1449	1450	1451	1452	1453	1454	1455	1456	1457	1458	1459	1460	1461	1462	1463	1464	1465	1466	1467	1468	1469	1470	1471	1472	1473	1474	1475	1476	1477	1478	1479	1480	1481	1482	1483	1484	1485	1486	1487	1488	1489	1490	1491	1492	1493	1494	1495	1496	1497	1498	1499	1500	1501	1502	1503	1504	1505	1506	1507	1508	1509	1510	1511	1512	15
---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	----

6	362.3	365.7	376.7	+132.54
7	363.4	367.7	369.4	+512.18
8	363.4	367.7	372.9	+32.01
9	363.0	367.3	372.7	+40.44
10	364.8	369.8	368.8	-0.98
11	371.9	374.4	375.4	+1.00
12	384.2	384.2	384.4	+0.20
13	372.3	372.3	384.0	+11.66
14	367.4	369.4	376.7	+7.30
15	377.7	381.4	385.4	+4.00
16	383.2	384.2	385.4	+1.20

Fund Mgmt. Ltd (1200W)
 1200 W.

INITIAL CHANGE: Change made on info of _____ **HISTORIC PRECISE:** This letter of change

years (40 - 110) to 1400 years; (●) - 1401 to 1700 years, (◐) - 1701 to 2000 years. Daily dosing rates are set on the basis of the volunteer count, a short period of time may elapse before plates become available.

35 Abn Attorneys and Real Estate Regulatory Organisation,
Court's Place,
183 New Bond Street, London WC2N 6JH
Tel: 071 - 570 - 0000.

[illegible]

725155

هكذا آمن الأصل

[illegible]

Continued on next page

مركز امن الاصل

■ Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

[illegible]

[illegible]

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Symbol	Company	Price	Change	Volume	High	Low	Open	Close	52-Week High	52-Week Low
159	AAFC Corp	0.18	0.02	336	124	124				
160	AAFC Corp	0.18	0.02	336	124	124				
161	AAFC Corp	0.18	0.02	336	124	124				
162	AAFC Corp	0.18	0.02	336	124	124				
163	AAFC Corp	0.18	0.02	336	124	124				
164	AAFC Corp	0.18	0.02	336	124	124				
165	AAFC Corp	0.18	0.02	336	124	124				
166	AAFC Corp	0.18	0.02	336	124	124				
167	AAFC Corp	0.18	0.02	336	124	124				
168	AAFC Corp	0.18	0.02	336	124	124				
169	AAFC Corp	0.18	0.02	336	124	124				
170	AAFC Corp	0.18	0.02	336	124	124				
171	AAFC Corp	0.18	0.02	336	124	124				
172	AAFC Corp	0.18	0.02	336	124	124				
173	AAFC Corp	0.18	0.02	336	124	124				
174	AAFC Corp	0.18	0.02	336	124	124				
175	AAFC Corp	0.18	0.02	336	124	124				
176	AAFC Corp	0.18	0.02	336	124	124				
177	AAFC Corp	0.18	0.02	336	124	124				
178	AAFC Corp	0.18	0.02	336	124	124				
179	AAFC Corp	0.18	0.02	336	124	124				
180	AAFC Corp	0.18	0.02	336	124	124				
181	AAFC Corp	0.18	0.02	336	124	124				
182	AAFC Corp	0.18	0.02	336	124	124				
183	AAFC Corp	0.18	0.02	336	124	124				
184	AAFC Corp	0.18	0.02	336	124	124				
185	AAFC Corp	0.18	0.02	336	124	124				
186	AAFC Corp	0.18	0.02	336	124	124				
187	AAFC Corp	0.18	0.02	336	124	124				
188	AAFC Corp	0.18	0.02	336	124	124				
189	AAFC Corp	0.18	0.02	336	124	124				
190	AAFC Corp	0.18	0.02	336	124	124				
191	AAFC Corp	0.18	0.02	336	124	124				
192	AAFC Corp	0.18	0.02	336	124	124				
193	AAFC Corp	0.18	0.02	336	124	124				
194	AAFC Corp	0.18	0.02	336	124	124				
195	AAFC Corp	0.18	0.02	336	124	124				
196	AAFC Corp	0.18	0.02	336	124	124				
197	AAFC Corp	0.18	0.02	336	124	124				
198	AAFC Corp	0.18	0.02	336	124	124				
199	AAFC Corp	0.18	0.02	336	124	124				
200	AAFC Corp	0.18	0.02	336	124	124				

BE YOUR GUEST

BRUSSELS

When you stay with us in BRUSSELS stay in touch - with your complimentary copy of the

FINANCIAL TIMES

BE OUR GUEST.

BRUSSELS

#11TON

When you stay with us in
BRUSSELS
stay in touch - with
your complimentary copy
of the

FINANCIAL TIMES
LONDON • NEW YORK • PARIS • BRUSSELS

Yon

NASDAQ NATIONAL MARKET *4 am close March 1*

F 10th					F 5th					F 1st				
Stk	High	Low	Last	Chng	Stk	High	Low	Last	Chng	Stk	High	Low	Last	Chng
- D -														
10	4646	26	25 1/4	-	J&J	18	18 1/2	10	9 1/4	-				
11	88	22 1/2	23 23 1/4	+	Jason Inc	0.26	22	17 10 1/4	11	1 1/4				
16	3	86	81 81 1/4	+	JLG Ind	0.25	51	12 12 1/2	13	13 1/2				
42	752	105	105 1/4	+	Johnson W	2	13	16 1/2	18 1/4	10 1/4				
- J -														
PioneerGr 0.04 12 30 1/4 29 1/4 29 1/4 - PioneerH 0.46 18 18 27 27 1/4 28 28 1/4 - PioneerSt 0.18 15 26 26 3/4 27 27 1/4 - PioneerF 3 227 84 54 54 54 - PioneerL 0.12 15 17 17 1/4 18 18 1/4 - Price Life 0.12 15 17 17 1/4 18 18 1/4 - Precious 77 81 22 21 21 21 -														

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																				

11	342	68%	47%	6%	+	+	+
12	352	68%	17	17%	1%	+	+
13	315	68%	30%	30%	3%	+	+
14	357	61%	40%	40%	4%	+	+
15	75	90	3%	6	6	+	+
16	672	284%	27%	27%	2%	+	+
17	315	68%	30%	30%	3%	+	+
18	27	57	6%	6	6	+	+
19	38	980	274%	28%	28%	+	+
20	21	427	47%	14%	14%	+	+
21	18	2842	7%	7%	7%	+	+
22	10	2855	74%	36	36	+	+
23	17	63	284%	17	17	+	+
24	10	2842	7%	7%	7%	+	+
25	10	38	174%	10	10	+	+
26	18	12	3%	3%	3%	+	+
27	15	182	284%	2%	2%	+	+
28	18	2842	7%	7%	7%	+	+
29	2	432	174%	16%	17	+	+
30	18	2842	7%	7%	7%	+	+
31	14	173	38	37	38	+	+
32	17	67	62%	24	24%	+	+
33	7	220	18%	17%	18%	+	+

- G -							
34	114	9%	9%	9%	+	+	+
35	27	1100	17%	18%	17%	+	+
36	13	182	11%	10%	11%	+	+
37	6	80	6	6	6	+	+
38	34	585	38%	38%	38%	+	+
39	42	176	17%	18	18%	+	+
40	54	236	6%	6%	6%	+	+
41	20	182	2%	2%	2%	+	+
42	47	276	28%	284%	28%	+	+
43	1	163	2%	2%	2%	+	+
44	19	2354	3%	3%	3%	+	+
45	17	2842	7%	7%	7%	+	+
46	38	369	184%	17%	184%	+	+
47	28	881	74%	284%	284%	+	+
48	18	2842	7%	7%	7%	+	+
49	18	2842	7%	7%	7%	+	+
50	18	2842	7%	7%	7%	+	+
51	18	2842	7%	7%	7%	+	+
52	18	2842	7%	7%	7%	+	+
53	18	2842	7%	7%	7%	+	+
54	18	2842	7%	7%	7%	+	+
55	18	2842	7%	7%	7%	+	+
56	18	2842	7%	7%	7%	+	+
57	18	2842	7%	7%	7%	+	+
58	18	2842	7%	7%	7%	+	+
59	18	2842	7%	7%	7%	+	+
60	18	2842	7%	7%	7%	+	+
61	18	2842	7%	7%	7%	+	+
62	18	2842	7%	7%	7%	+	+
63	18	2842	7%	7%	7%	+	+
64	18	2842	7%	7%	7%	+	+
65	18	2842	7%	7%	7%	+	+
66	18	2842	7%	7%	7%	+	+
67	18	2842	7%	7%	7%	+	+
68	18	2842	7%	7%	7%	+	+
69	18	2842	7%	7%	7%	+	+
70	18	2842	7%	7%	7%	+	+
71	18	2842	7%	7%	7%	+	+
72	18	2842	7%	7%	7%	+	+
73	18	2842	7%	7%	7%	+	+
74	18	2842	7%	7%	7%	+	+
75	18	2842	7%	7%	7%	+	+
76	18	2842	7%	7%	7%	+	+
77	18	2842	7%	7%	7%	+	+
78	18	2842	7%	7%	7%	+	+
79	18	2842	7%	7%	7%	+	+
80	18	2842	7%	7%	7%	+	+
81	18	2842	7%	7%	7%	+	+
82	18	2842	7%	7%	7%	+	+
83	18	2842	7%	7%	7%	+	+
84	18	2842	7%	7%	7%	+	+
85	18	2842	7%	7%	7%	+	+
86	18	2842	7%	7%	7%	+	+
87	18	2842	7%	7%	7%	+	+
88	18	2842	7%	7%	7%	+	+
89	18	2842	7%	7%	7%	+	+
90	18	2842	7%	7%	7%	+	+
91	18	2842	7%	7%	7%	+	+
92	18	2842	7%	7%	7%	+	+
93	18	2842	7%	7%	7%	+	+
94	18	2842	7%	7%	7%	+	+
95	18	2842	7%	7%	7%	+	+
96	18	2842	7%	7%	7%	+	+
97	18	2842	7%	7%	7%	+	+
98	18	2842	7%	7%	7%	+	+
99	18	2842	7%	7%	7%	+	+
100	18	2842	7%	7%	7%	+	+

- T -							
101	19	2354	3%	3%	3%	+	+
102	17	2842	7%	7%	7%	+	+
103	38	369	184%	17%	184%	+	+
104	28	881	74%	284%	284%	+	+
105	18	2842	7%	7%	7%	+	+
106	18	2842	7%	7%	7%	+	+
107	18	2842	7%	7%	7%	+	+
108	18	2842	7%	7%	7%	+	+
109	18	2842	7%	7%	7%	+	+
110	18	2842	7%	7%	7%	+	+
111	18	2842	7%	7%	7%	+	+
112	18	2842	7%	7%	7%	+	+
113	18	2842	7%	7%	7%	+	+
114	18	2842	7%	7%	7%	+	+
115	18	2842	7%	7%	7%	+	+
116	18	2842	7%	7%	7%	+	+
117	18	2842	7%	7%	7%	+	+
118	18	2842	7%	7%	7%	+	+
119	18	2842	7%	7%	7%	+	+
120	18	2842	7%	7%	7%	+	+
121	18	2842	7%	7%	7%	+	+
122	18	2842	7%	7%	7%	+	+
123	18	2842	7%	7%	7%	+	+
124	18	2842	7%	7%	7%	+	+
125	18	2842	7%	7%	7%	+	+
126	18	2842	7%	7%	7%	+	+
127	18	2842	7%	7%	7%	+	+
128	18	2842	7%	7%	7%	+	+
129	18	2842	7%	7%	7%	+	+
130	18	2842	7%	7%	7%	+	+
131	18	2842	7%	7%	7%	+	+
132	18	2842	7%	7%	7%	+	+
133	18	2842	7%	7%	7%	+	+
134	18	2842	7%	7%	7%	+	+
135	18	2842	7%	7%	7%	+	+
136	18	2842	7%	7%	7%	+	+
137	18	2842	7%	7%	7%	+	+
138	18	2842	7%	7%	7%	+	+
139	18	2842	7%	7%	7%	+	+
140	18	2842	7%	7%	7%	+	+
141	18	2842	7%	7%	7%	+	+
142	18	2842	7%	7%	7%	+	+
143	18	2842	7%	7%	7%	+	+
144	18	2842	7%	7%	7%	+	+
145	18	2842	7%	7%	7%	+	+
146	18	2842	7%	7%	7%	+	+
147	18	2842	7%	7%	7%	+	+
148	18	2842	7%	7%	7%	+	+
149	18	2842	7%	7%	7%	+	+
150	18	2842	7%	7%	7%	+	+

SnidePmp	0.81	24	65	25	24%	26	+1	MycoGen	6	1431	144	13	14%	+1%	Telco Sys	17	556	6%	84%	84%	-4
SnideSys	18	28	2	1%	2			TotalCommA	232	2035	244	23%	24	+1/2	Total	26	56	1%	51%	51%	

[illegible][illegible][illegible]

AMERICA

Equities open quietly after Friday's blast

Wall Street

US SHARES began trading on a modestly firmer note yesterday, although some traders suggested that Friday's bomb blast at the World Trade Center was having a delayed psychological effect on the equity market, writes *Nicki Tait in New York*.

Although there was no direct impact from the blast on either the New York Stock Exchange or the American Stock

SAO PAULO dropped 5.4 per cent by midday after the resignation of Mr Paulo Haddad, Brazil's economy minister. At 13.00 local time the Bovespa index was 768 lower at 13,376 and midday volume was Cr1,370bn (\$68.2m).

Brokers said the market was anxious about inflation, currently running at around 27 per cent a month, the timing of a new economic programme and the possibility of a delay in Brazil's imminent talks with the International Monetary Fund.

Exchange, which are housed in a different part of Manhattan's financial district, some market participants said that the explosion underlined the area's vulnerability to terrorist attack. Dealing yesterday morning began quietly, although by mid-morning, the market was generally heading higher.

At 1 pm, the Dow Jones Industrial Average was up 11.08 at 3,381.89. The more broadly based Standard & Poor's 500 was up 0.41 at 443.79, while the Amex composite was 1.78 higher at 408.62. The Nasdaq composite rose 1.54 at 672.31. Trading volume on the NYSE was 130.1m shares by 1 pm.

The only economic data yesterday had little influence on the market. The National Association of Purchasing Management's survey of business

activity in February showed the first decline since September, with the index standing at 55.8 last month compared with 58 in January.

Many of the most actively traded "mainline" stocks were mixed during the morning session. Wal-Mart Stores gained 3/4 at \$33, while IBM rose by 3/4 to \$54. Two of the drug stocks also rallied, with Glaxo gaining 3/4 at \$19 and Merck 3/4 at \$39.

By contrast, Philip Morris continued to feel the weight of worries about a tobacco tax, and eased another 1/4 to \$65.5, while RJR Nabisco lost 3/4 at \$81. Computer also declined sharply, losing 1 1/4 at \$43.5, while Chrysler fell by 3/4 to \$39.

Among some of the smaller stocks, shares in Thermedica, a bomb detection equipment maker, rallied in the wake of the World Trade Center blast, up 1 1/4 at \$13.4. Sensormatic also rose strongly on news that Wal-Mart, the nation's top-selling retailer, plans to install the company's electronic article surveillance system in over one hundred additional stores. Sensormatic gained 1/4 at \$34.

Canada
TORONTO was dragged down by continued losses in gold stocks, and weakness in the heavily weighted telecommunications blue chip, Northern Telecom, as the TSE-300 index fell 12.19 to 3,439.50 at midday. Volume was 14.4m shares valued at C\$132m. Northern Telecom dropped 0.81 or 2.5 per cent to C\$53.74.

SOUTH AFRICA
JOHANNESBURG saw modest gains, with De Beers improving R1.25 to R68.50 after rising 2.5 per cent in US trading on Friday. The overall index put on 5 at 3,423 and industrials 14 at 4,501, but golds suffered a loss of 12 at 960.

EUROPE

A question of timing for interest rate hopes

HOPES of a further interest rate cut from the Bundesbank this week were behind yesterday's European gains, writes *Our Markets Staff*. However, Mr Richard Davidson, European equity strategist at Morgan Stanley in London, described the interest rate prospect as a "red herring".

The Bundesbank might well cut rates this week, he said, but the cut would have to be one of 100 basis points to underpin, for example, the French franc. Morgan Stanley is overweight in Europe, likes it a lot on the triple prospect of a stronger dollar, lower interest rates and, it hopes, resumed growth in 1994. But its time horizon is over twelve months, not four days.

FRANKFURT saw a four-year low in bond yields and the DAX index, 16.90 higher at 1,700.95, at its highest level since last July 17. Turnover eased from DM7.9bn to DM7.5bn.

The Bundesbank's average bond yield fell another 7 basis points to 6.4 per cent but, as with equities, investors were

beginning to see the market as a little overbought by the afternoon, when German inflation figures came in a little worse than expected.

In equities, banks moved up strongly on the interest rate speculation, the critically acclaimed Commerzbank and Dresdner putting on DM6.50 to DM28.50, DM8.30 to DM40.80 respectively.

Carmakers and their component suppliers were more mixed, above average gains for Daimler and BMW being offset by a DM4.10 fall to DM274 for Volkswagen after a German weekly reported that VW could incur a first quarter operating loss of more than DM1bn.

PARIS broke the 2,000 barrier during the day on futures-led activity and strong foreign demand, especially from the US. However, some late profit-taking saw the CAC-40 index lose a little of its strength, closing 15.09 higher at 1,998.90 in turnover of some FF3.7bn.

Construction and finance stocks were encouraged by the prospect of lower European interest rates with Bouygues

FT-SE Actuaries Share Indices

March 1		THE EUROPEAN SERIES									
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close	High	Low	Volume
FT-SE Eurotrack 100	1181.81	1161.26	1161.47	1160.78	1161.05	1161.05	1159.82	1158.20	1161.05	1158.20	118,217
FT-SE Eurotrack 200	1214.41	1214.75	1215.03	1214.70	1215.51	1215.78	1215.13	1213.57	1215.78	1213.57	118,217
Data valid 1000 (25/10/92) History: 100 - 1182.86 200 - 1217.16 London: 100 - 1157.26 200 - 1211.60											

gaining FF20 to FF658. SocGen FF5 to FF650, Suez FF6.40 to FF302.90, also ahead of tomorrow's results, and Axa FF22 to FF1.200.

With further warnings about a decline in European car sales Peugeot lost FF1 to FF638 and Michelin eased FF4.90 to FF186.20.

MILAN returned to insurers, which had closed strongly last week, on expectations that a cabinet meeting later in the day would approve plans for the introduction of private pension funds. Some observers believe that if the funds are created, possibly by the third quarter, the fresh inflow of funds into the equity market

could amount to as much as L4,000bn. The Comit index closed up 17.96 at 531.19.

Generali led the way with a rise of L2.190 to L37,000 while Allianz moved ahead L560 to L16,682.

Elsewhere, Fiat maintained its impetus with a gain of L180 to L5,000, and L&O, on the kerf. Foreign interest in telecommunications was also seen with Ster fixing L146 higher at L2,399 and L&O after hours and Sip up L54 at L1,778.

ZURICH, too, featured financials on interest rate speculation, with insurers in the lead. The SMI index closed 21.1 higher at 2,120.5 with Winterthur bearers SFR70 better at

SFR3360 and Swiss Re certificates SFR14 higher at SFR604. AMSTERDAM was flat, the CBS Tendency index closing at 99.9; but among the actives Unilever built on last week's solid gains following the release of a positive earnings statement, adding another FI 3.20 to FI 211.70.

Heineken, which issues 1992 results on Thursday, was another gainer, up to a record high during the session of FI 188.50 before slipping back to finish up FI 187.60.

MADRID extended Friday's gains, banks leading with gains of 3 to 8 per cent in several, and the general index putting on another 3.77 to 236.66 in brisk turnover of Pta17,35bn, down from Pta30bn previously.

STOCKHOLM lost some of its early gains on late profit-taking but the Affarsvarden general index still managed a gain of 18.00 points to close at 1,018.10. Turnover was high at SKr873m after Friday's SKr907m.

Astra continued to recover some of last week's losses with a SKr7 rise in the B shares to SKr82. In the banking sector, Handelsbanken advanced another SKr3 to SKr72.

VIENNA finished at its highest close since last July with a rise in the ATX index of 20.31, or 2.4 per cent to 857.33. The construction sector led the day's rally with Universale up Sch58, or 6.6 per cent at Sch549.

COPENHAGEN was pushed lower by reports that Carlsberg might be overvalued, and by losses at Unidamark. The brewer's B shares fell DKr12.55 to DKr266 while Denmark's second largest bank group rallied to close unchanged at DKr135 after DKr132. The KFX index closed 0.69 lower at 81.48.

ISTANBUL fell 4.6 per cent as overnight and short term bond rates reflected the banks' need to meet some TL16,000bn in treasury bill auction payments on Wednesday. The market index was 273.52 lower at a provisional 5,650.08, taking its losses to 7.25 per cent since last Wednesday's record high.

ASIA PACIFIC

Tokyo Steel earnings downgrade leaves Nikkei lower

Tokyo

FEARS over lower corporate earnings, triggered by a Nomura Research Institute (NRI) report, unnerved investors and share prices finished lower after thin trading, writes *Emiko Terazono in Tokyo*.

The Nikkei average closed 73.75 down at 16,971.00 after a day's high of 16,971.00 and low of 16,831.31. The index firmed in early trading on buying of telecommunications stocks, but fell later on selling prompted by fears over lower corporate profits.

Volume dwindled to 170m shares from 266m, while declines led advances by 664 to 265, with 188 issues unchanged. The Topix index of all first section stocks shed 7.96 to 1,276.25, and in London the ISE/Nikkei 50 index eased 0.50 to 1,027.03.

A report by Nomura Research Institute, projecting

that Tokyo Steel, a leading electric furnace steel maker, would fall into the red next fiscal year, prompted heavy selling. Investors were shocked by the report, as the company has been a market favourite due to its high profitability relative to blast furnace steel makers.

NRI revised its earnings forecast for Tokyo Steel to a pre-tax loss of Y3.5bn from a pre-tax profit of Y30bn for the year ending March next year, stemming from a plunge in demand for steel bars. NRI said Tokyo Steel could cut its dividend as a result of the loss.

Tokyo Steel dropped Y370 to Y2,130, while other electric furnace steel makers also lost ground. Toa Steel fell Y64 to Y919 and Yamato Kogyo Y100 to Y1,100. Blast furnace steel makers were also weak, Nippon Steel losing Y5 to Y292.

Nippon Telegraph and Telephone gained Y15,000 at

Y631,000 on active buying. The issue has risen 6.9 per cent over the past month on reports that the telecommunications group wants to raise its call rates.

Showa Shell Sekiyu, the oil refiner which came under heavy selling pressure last week on its huge foreign currency loss, fell a further Y26 to Y775.

In Osaka, the OSE average dipped 59.13 to 18,046.48 in volume of 48.1m shares. Trading on the OSE surged 30.5 per cent last month from January to 1,297.4m shares. OSE officials said that active cross trading, or selling and buying back shares to realise profits on stock holdings, ahead of the March financial year-end had pushed up activity.

Roundup

WITH THE exception of Bangkok and Singapore, the region

showed strong performances yesterday.

BANGKOK saw the banking sector lose more than 5 per cent on rumours that Bangkok Bank was facing substantial bad debts. The SET index closed 27.13, or some 3 per cent, lower at 910.52 in turnover of Bt4.1bn.

The bank issued a statement denying the rumours, which had started to circulate after last Thursday's announcement of a capital increase from Bt10bn to Bt20bn. The shares weakened Bt4 to Bt115.

HONG KONG finished near to its record peak as investors began to anticipate good annual results due later this week. The Hang Seng index climbed 46.83 to 6,398.82 in turnover of HK\$4.4bn.

Hang Seng Bank advanced HK\$1 to HK\$94 and Hutchison Whampoa 20 cents to HK\$17.90. AUSTRALIA closed at its highest level for seven months

after the release of the lowest monthly current account deficit in five years. The All Ordinaries index appreciated 29.7 to 1,639.3 in turnover of A\$334.6m.

The banking sector was very strong, with NAB rising 26 cents to A\$8.40, Commonwealth 17 cents to A\$6.90 and Westpac 11 cents to A\$3.19.

SINGAPORE was weaker on profit-taking as many investors chose to ignore Friday's budget which came after the close. The Straits Times Industrial index slipped 5.90 to 1,658.90 in volume of 166m shares.

TAIWAN ended at an eight-month high, while turnover, at T\$78.4bn, was at its heaviest level since May, 1991. The weighted index rose 132.93, or 3 per cent, to 4,517.59.

The electronics sector was particularly active, with Acer up 80 cents at T\$25.60.

NEW ZEALAND was encouraged both by Australia's performance and by gains in FCL,

Carter Holt Harvey and Telecom, as the NZSE-10 index gained 21.01 at 1,587.04 in low turnover of NZ\$25m.

FCL moved ahead 10 cents to NZ\$2.49, Carter Holt Harvey 5 cents to NZ\$2.94 and Telecom 4 cents to NZ\$2.68, but brokers noted that volumes were low.

MANILA eased after Eximbank of Japan, suspended loans worth \$400m for power projects pending a court ruling on a petition for an electricity rate increase. The composite index fell 24.98 to 1,494.39 in 408m pesos combined turnover.

BOMBAY retreated sharply for the second consecutive trading session as the market reacted to disappointments over the national budget announced on Saturday. The BSE index closed at 2,571.18, down 81.22 or 3.1 per cent, as brokers said that the biggest disappointment in the budget was that the government did not cut corporate taxes.

US gains offset by Japan's losses

MARKETS IN PERSPECTIVE

	% change in local currency			% change in US \$	% change in US \$	
	1 Week	4 Weeks	1 Year	Start of 1993	Start of 1992	
Austria	+1.44	+7.14	-19.79	+5.60	+11.24	+4.55
Belgium	+0.21	+2.34	+1.47	+7.74	+12.59	+5.82
Denmark	-1.55	-1.89	-1.59	+4.78	+15.00	+6.09
Finland	+3.80	+13.44	+10.45	+16.53	+8.59	+2.44
France	+2.25	+11.54	+1.19	+8.05	+13.82	+6.99
Germany	+0.50	+7.87	-0.81	+9.87	+15.34	+8.41
Ireland	+3.69	+5.32	-5.59	+9.57	+6.34	-0.05
Italy	+2.94	+7.27	+1.90	+18.80	+17.19	+10.13
Netherlands	+1.05	+5.29	+5.58	+7.29	+12.44	+5.88
Norway	-1.31	+0.46	-5.88	+1.90	+7.10	+0.57
Spain	-0.13	+2.01	-8.19	+10.39	+14.27	+7.39
Sweden	+0.55	+11.46	+19.12	+6.13	+2.19	-3.98
Switzerland	-0.47	+1.23	+13.71	+1.90	+4.12	-2.15
UK	+0.75	+2.15	+12.99	+1.50	+1.50	-4.80
EUROPE	+0.68	+4.81	+5.31	+8.48	+7.59	+1.12
Australia	+1.22	+5.80	-3.46	+3.69	+11.51	+4.60
Hong Kong	+3.63	+11.78	+28.45	+15.58	+23.10	+15.70
Japan	-0.92	-1.24	-15.48	-1.68	+10.70	+4.04
Malaysia	+2.31	+6.20	+14.08	+8.71	+11.81	+5.05
New Zealand	-0.70	+5.20	-1.02	+2.94	+4.54	+4.24
Singapore	+1.32	+1.90	+3.61	+4.50	+10.84	+4.19
Canada	+0.42	+3.88	-6.87	+1.91	+10.34	+3.70
USA	+2.18	+0.98	+0.83	+1.88	+8.18	+1.68
Mexico	-4.00	-10.56	-15.10	-14.94	-8.95	-14.42
South Africa	-1.83	+0.02	-7.00	+5.32	+20.33	+13.09
WORLD INDEX	+1.03	+1.58	-0.51	+1.92	+9.00	+2.45

Based on February 28, 1993. Copyright, The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited.

By William Cochrane

Wall Street was determined last week to retrieve what it had lost in reaction to Mr Clinton's tax plans the week before, and even the bombing of the World Trade Centre on Friday could not prevent US equities posting a 2.3 per cent gain.

The Nomura Research Institute Europe is not impressed. It stands by a massively under-weight recommendation for the US market, says it is more than fully priced for "good news" and that failure to break into new high ground after the drop in US long bond yields "provides the clearest sell signal yet seen". Japan's 0.6 per cent decline was the main reason why the FT-Actuaries World Index was limited to a 1.0 per cent rise in local currency terms. Some observers are waiting for a slump in Tokyo when the fiscal year ends. Investment books close and balance sheet ratios are set for the banks at the end of this month. NRI Europe takes the con-

trary view. It says the deflationary impact of the rally in the yen will push the authorities towards further moves, "this time massive", to reflate. A full one percentage point cut in the discount rate, and a Y20,000bn (\$170bn) fiscal package would clearly not hurt the equity market, say the researchers: "On the contrary, we suspect that the market is (finally) going to deliver the coup de grace to the bears by staging a sharp rally up through 20,000."

The week's worst performer was Mexico, extending a period of relative weakness this year. Market professionals blame worries over prospects for the North American Free Trade Agreement and interest rates, the latter reflecting a national trade deficit which has increased five-fold since 1990.

In Europe, opinion gained strength towards the end of the week that a reduction in key German interest rates was again imminent. France, which advanced 2.2 per cent last week, is especially interest rate-sensitive.

LIFFE's Three Month ECU

INCREASING

LIQUIDITY

LIFFE's Three Month ECU futures contract confirmed its steady growth in 1992 with an increase in volume and open interest of around 200% compared to the previous year.

Its importance as an efficient hedging and trading tool is emphasised by LIFFE's international membership.

It is supported, in particular, by a number of brokers, a list of which is available from

LIFFE, and by the six designated market makers listed below.

These six major institutions ensure liquidity through their commitment to quote prices on request within tight dealing spreads.

For more information on the Three Month ECU please contact any LIFFE member or Business Development at LIFFE.

The following are designated market-makers in the Three Month ECU:

First Chicago Futures Inc (acting on behalf of First National Bank of Chicago)

Istituto Bancario San Paolo di Torino S.p.A.

Kreditbank N.V.

Midland Futures/Div Midland Bank Plc (acting on behalf of Hong Kong & Shanghai Banking Corporation)

NatWest Futures Limited (acting on behalf of National Westminster Bank Plc)

UBS Phillips & Drew Futures & Options Limited (acting on behalf of Union Bank of Switzerland)

LIFFE

LIFFE, Cannon Bridge, London EC4A 3XX. Tel: 071 622 0444 Fax: 071 248 5884

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited. 1987. Latest prices were unavailable for this edition. Constituent name change: Cold Storage Hldgs. to Goodman Fielder Asia Hldgs. (Singapore).